



# *City of Surprise* **ARIZONA**

---

## Land Use Assumptions

Final | March 11, 2014

Table of Contents

**Introduction ..... 3**

**Land Use Assumptions Summary ..... 4**

**List of Tables**

Table 1 - Projected Population and Housing Units.....4

Table 2 - Projected Employment and Square Feet.....5

Table 3 - Projected Square Feet Population and Employment Factors .....6

Table 4 - Single Family Housing Units by Master Development .....7

**List of Figures**

Figure 1 - Square Feet per Capita Projections.....5

## **Introduction**

The City of Surprise retained the team of Raftelis Financial Consultants, Inc.<sup>1</sup> (RFC or Raftelis) to complete an update of the City's development impact fees for compliance with the requirements of Arizona Revised Statutes (ARS) §9-463.05 effective August 1, 2014. Elliott D. Pollack and Company (EDPCO) is a sub-consultant to RFC and developed the land use assumptions (LUA) documented in this report in Appendix A.

Arizona has experienced tremendous growth in past decades. To ensure new growth pays its proportionate share of infrastructure costs, development impact fees are collected by cities and towns to evenly and fairly distribute the burden of facility capacity to serve new development. These one-time charges are assessed to new development by local governments to recover the proportional cost of facilities benefiting new development based on specific calculations using standardized assessment schedules. Each development project pays a proportionate share of the cost of new infrastructure or necessary public services (NPS) needed to support the new development.

Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees.

The first step in the process to assess development impact fees per the new law requires the preparation of a land use assumptions (LUA) which estimates changes that are projected to occur in land uses, densities, intensities, and population for a specified service area over a period of at least ten years and pursuant to the General Plan of the municipality. The land use assumptions will then become the basis for the projects needed to serve new development included in the Infrastructure Improvements Plan (IIP) that will then be the basis for the development impact fee study.

EDPCO prepared current demographic estimates and future development projections for both residential and retail, office and industrial nonresidential development. Public sector estimates were developed by Raftelis from the 2013 Maricopa Association of Government study. This land use data will be used to develop the IIP and determine what infrastructure will need to be constructed to accommodate growth over the next ten years. This information will then be used in the calculation of the City's development impact fees.

---

<sup>1</sup> The City initially retained Red Oak Consulting, an ARCADIS group to complete this study and the contract was subsequently assigned to RFC in July 2013.

## Land Use Assumptions Summary

The City experienced tremendous growth from 2000 through 2010 as the population increased from 30,848 to 117,517 population, and increase of over 87,000 people. Growth is anticipated to increase in the coming years as reflected in the projected population, housing unit, employment and square feet projections included in the LUA.

EDPCO led the development of LUA working with City staff to review and establish projected residential and non-residential growth. The memorandums issued by EDPCO summarizing recommended LUA are included in Appendix A.

Appendix A summarizes land use assumptions and annual growth projections within each of the six SPAs throughout the City that was completed in November 2012. City staff reviewed the data and applied land use assumptions to future facility requirements. Table 1 summarizes existing and projected annual residential population and single-family and multi-family housing unit growth within the City over a study period from fiscal year<sup>2</sup> (FY) 2013 through FY 2027.

**Table 1  
Projected Population and Housing Units**

Description	Fiscal Year Ending		Cumulative Increase	Cumulative Percent	Fiscal Year Ending		Cumulative Increase	Cumulative Percent
	2012	2022			2012	2027		
<b>Population</b>	<b>119,049</b>	<b>181,338</b>	<b>62,289</b>	<b>52%</b>	<b>119,049</b>	<b>226,102</b>	<b>107,053</b>	<b>90%</b>
<b>Housing Units</b>	<b>44,103</b>	<b>68,382</b>	<b>24,279</b>	<b>55%</b>	<b>44,103</b>	<b>84,044</b>	<b>39,941</b>	<b>91%</b>

Projected single-family and multi-family residential housing units are based on 3.00 and 2.20 persons per housing unit respectively. Of the total housing units, 92.1% are projected as single-family with the remainder projected as multi-family housing units based on EDPCO projections.

Table 2 summarizes existing and projected annual growth employment and non-residential growth for retail, industrial, government, and office land use categories over a study period from FY 2013 through FY 2027.

---

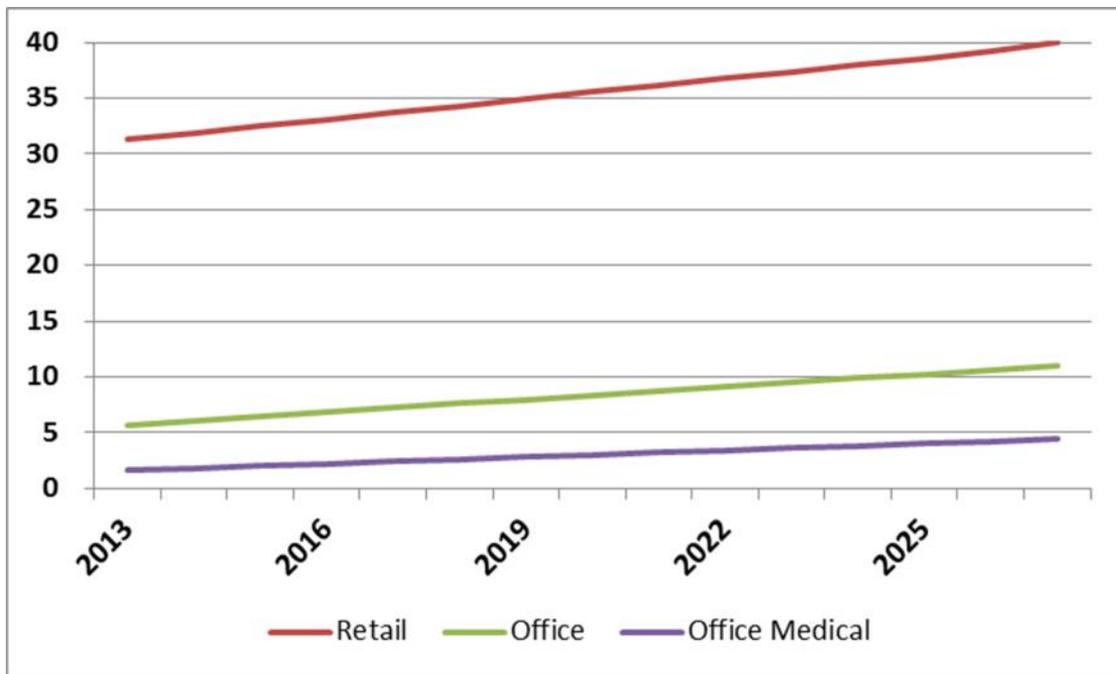
<sup>2</sup> The City's fiscal year (FY) starts July 1<sup>st</sup> and is completed June 30<sup>th</sup>. FY 2014 refers to the period of July 1, 2013 through June 30, 2014.

**Table 2**  
**Projected Employment and Square Feet**

Description	Fiscal Year Ending		Cumulative Increase	Cumulative Percent	Fiscal Year Ending		Cumulative Increase	Cumulative Percent
	2012	2022			2012	2027		
<b>Employment</b>								
Retail	8,669	15,515	6,846	79%	8,669	21,027	12,358	143%
Office	3,081	8,167	5,086	165%	3,081	12,535	9,454	307%
Public	2,951	5,794	2,843	96%	2,951	7,172	4,221	143%
Industrial	1,628	3,874	2,246	138%	1,628	5,265	3,637	223%
<b>Total</b>	<b>16,329</b>	<b>33,350</b>	<b>17,021</b>	<b>104%</b>	<b>16,329</b>	<b>45,999</b>	<b>29,670</b>	<b>182%</b>
<b>Square Feet</b>								
Retail	3,728,747	6,673,238	2,944,491	79%	3,728,747	9,044,079	5,315,332	143%
Office	855,742	2,268,538	1,412,796	165%	855,742	3,481,970	2,626,228	307%
Public	737,750	1,448,500	710,750	96%	737,750	1,792,875	1,055,125	143%
Industrial	1,039,108	2,472,690	1,433,582	138%	1,039,108	3,360,675	2,321,567	223%
<b>Total Square Feet</b>	<b>6,361,347</b>	<b>12,862,967</b>	<b>6,501,620</b>	<b>102%</b>	<b>6,361,347</b>	<b>17,679,600</b>	<b>11,318,253</b>	<b>178%</b>

Projected annual square feet by type of development are tied to projected residential population. Based on the EDPCO evaluation, the trends for each category are projected to change gradually as illustrated in Figure 1.

**Figure 1**  
**Square Feet per Capita Projections**



Industrial developments typically materialize in larger single increments and EPDCO has projected square feet based on the capture rate of the overall Maricopa County industrial

development. EDPCO projects the City will capture 2.5% of the overall industrial development by FY 2027 up from 1.5% projected through FY 2020.

Employment per 1,000 square feet is used to translate cost per service unit into fee schedule per 1,000 square feet. Table 3 summarizes these assumptions. The fee schedules will be developed after the LUA and IIP is adopted.

**Table 3  
Projected Square Feet Population and Employment Factors**

Development Type	Sq. ft. per Employee	Employees		
		per 1,000 sq. ft.	EDU Value	EDU Factor
<b>Retail</b>	<b>400</b>	<b>2.50</b>	<b>3.00</b>	<b>0.83</b>
<b>Industrial</b>	<b>600</b>	<b>1.67</b>	<b>3.00</b>	<b>0.56</b>
<b>Office / Public</b>	<b>250</b>	<b>4.00</b>	<b>3.00</b>	<b>1.33</b>

Allocation of Single-Family Housing Units to Total Housing Units	
Percent of Future Housing	92.1%

City staff projected single-family development, using EDPCO projected housing units, by master planned community. The projections for each community will be used to project revenues and development fee credits currently outstanding. Table 4 summarizes annual forecast through FY 2019.

**Table 4**  
**Single-Family Housing Units by Master Development**

	Single-Family Housing Units by Fiscal Year							Total
	2013	2014	2015	2016	2017	2018	2019	
Acoma Court	0	0	0	0	0	5	0	5
Canyon Ridge West	0	0	33	24	23	0	0	80
Coyote Lakes	0	0	0	0	3	0	0	3
Greer Ranch	38	546	94	0	3	0	0	681
Marley Park	123	227	489	24	101	148	422	1,534
Original Town Site	0	5	34	20	14	0	0	73
Prasada	0	0	7	1,482	642	1,340	1,437	4,908
Rancho Gabriela	0	1	0	0	0	0	0	1
Sarah Ann Ranch	10	75	1	2	43	0	0	131
Sierra Montana	3	2	16	33	14	26	0	94
Sierra Verde	0	0	87	5	0	0	0	92
Stadium Village	0	0	0	0	0	5	0	5
Surprise Farms	471	25	255	123	92	0	0	966
Sycamore Farms	0	5	0	3	125	460	37	630
Zanjero Trails	0	0	519	340	808	114	98	1,879
Other	0	0	0	2	455	267	36	760
<b>Total</b>	<b>645</b>	<b>886</b>	<b>1,535</b>	<b>2,058</b>	<b>2,323</b>	<b>2,365</b>	<b>2,030</b>	<b>11,842</b>
SPA 2								
Asante	0	0	100	194	142	285	400	1,121
Desert Oasis	0	0	5	1	56	15	47	124
Other	0	0	0	0	2	0	3	5
<b>Total</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>195</b>	<b>200</b>	<b>300</b>	<b>450</b>	<b>1,250</b>
SPA 3								
Austin Ranch	0	0	0	50	196	165	57	468
Burke Property	0	0	0	0	0	2	0	2
Rio Rancho	0	0	39	39	1	29	235	343
Other	0	0	11	7	7	54	8	87
<b>Total</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>96</b>	<b>204</b>	<b>250</b>	<b>300</b>	<b>900</b>

# APPENDIX A

## Land Use Assumptions Memo

# Land Use Assumptions Development Impact Fee Study City of Surprise, Arizona



Prepared for:  
City of Surprise, Arizona

November 2013

Prepared by:



Elliott D. Pollack & Company  
7505 East 6<sup>th</sup> Avenue, Suite 100  
Scottsdale, Arizona 85251

# **Land Use Assumptions Development Impact Fee Study City of Surprise, AZ**

## **1.0 Introduction**

In accordance with ARS 9-463.05 regarding municipal development fees, this report proposes land use assumptions that will be used to prepare the infrastructure improvement plan (IIP) for the City of Surprise. This report is based on:

1. Generally accepted forecasts of population and employment growth for the Greater Phoenix area produced by the University of Arizona Forecasting Project.
2. Historical building permit information produced by the Phoenix Metro Housing Study at ASU.
3. Population and housing data from the U.S. Bureau of the Census.

The conclusions and recommendations presented in this report were reached based on our analysis of the information available to us from reliable sources and from the Client as of the date of this report. We assume that the information is correct, complete and reliable.

Our report may contain prospective information, estimates or opinions that represent our view of reasonable expectations at a particular point in time. However, there is a great deal of uncertainty and risk in the national and state economies that could affect the forecasts provided herein. In particular, the effects of the Great Recession are still lingering and economic recovery is slow. The forecasts and opinions provided in this report are not offered as predictions or as assurances that a particular outcome will be achieved. Actual results achieved during the period covered by our prospective analysis may vary from those described in our report and the variations may be material. A full summary of the limiting conditions of this report are outlined in Section 4.0.

## **2.0 Population and Economic Trends Affecting Land Use Assumptions**

The historic growth of Surprise forms much of the basis for forecasting its future prospects. Surprise has grown from a small town of 7,000 persons in 1990 to the ninth largest community in Maricopa County in 2010 with nearly 118,000 residents. The City's early growth was tied to the Sun City retirement communities of Sun City West (just outside the City boundary) and Sun City Grand which is located within the City's incorporated limits. However, in the past ten years, the influence of the retirement population has subsided. Some of the important facts about the community that will drive these land use assumptions are the following.

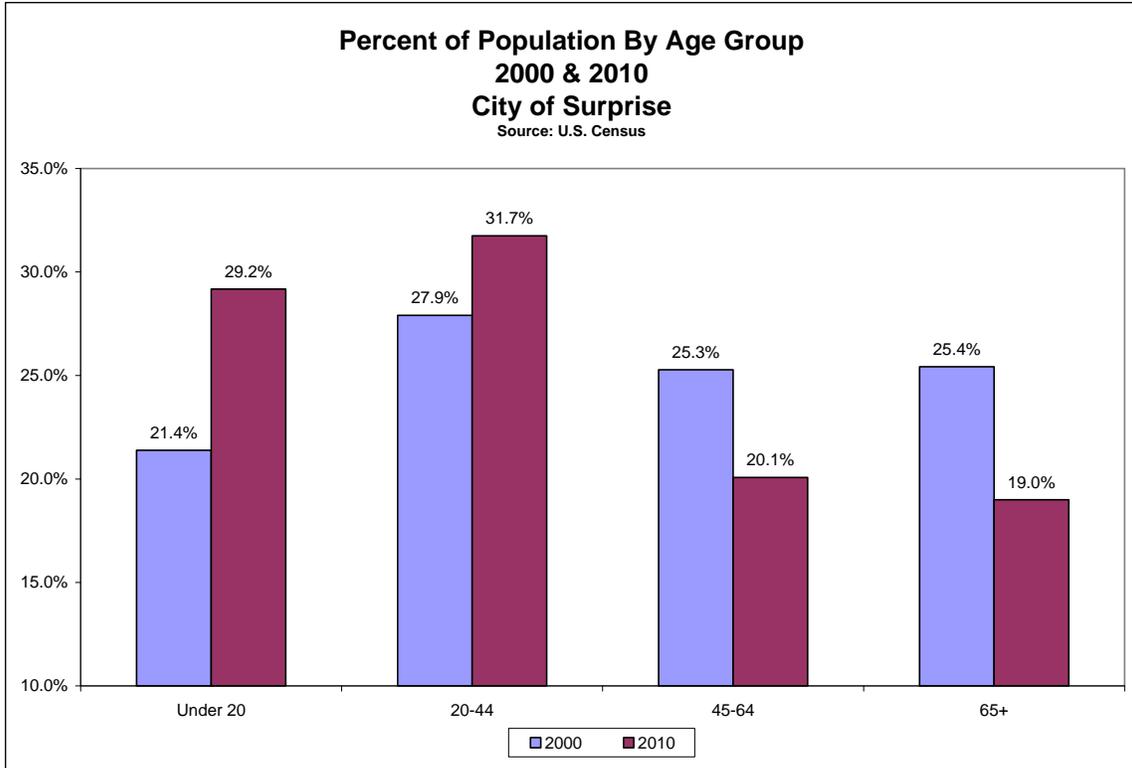
- Between 2000 and 2010, Surprise had the third largest increase in population in Greater Phoenix behind the cities of Phoenix and Gilbert. According to the U.S. Census, Surprise grew by 86,669 persons over the last decade. The City's housing stock grew by 36,279 units.

- The number of persons per household in Surprise rose from 2.46 in 2000 to 2.71 in 2010. This indicates that the retirement population in the City is becoming a smaller portion of the population as conventional homebuilding has reached the City in earnest. In fact, the typical household moving to the community between 2000 and 2010 had an average size of 2.82 persons. Between 2005 and 2010, the average new household was even larger at 3.06 persons.

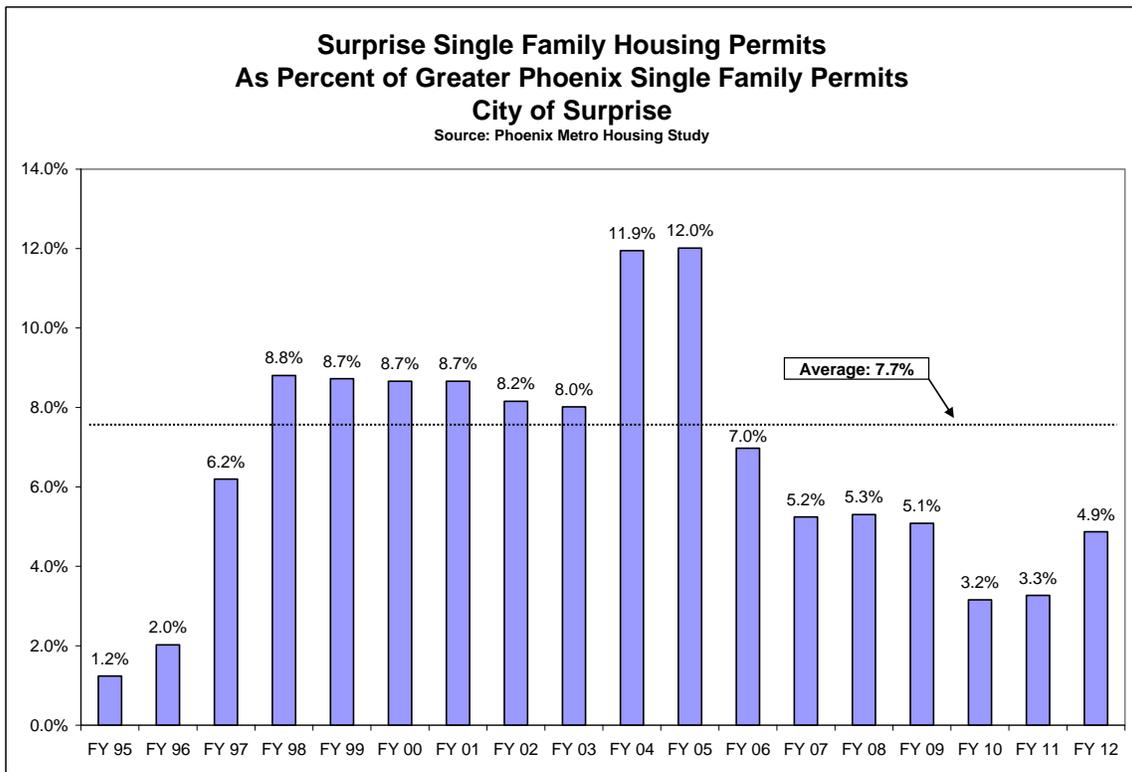
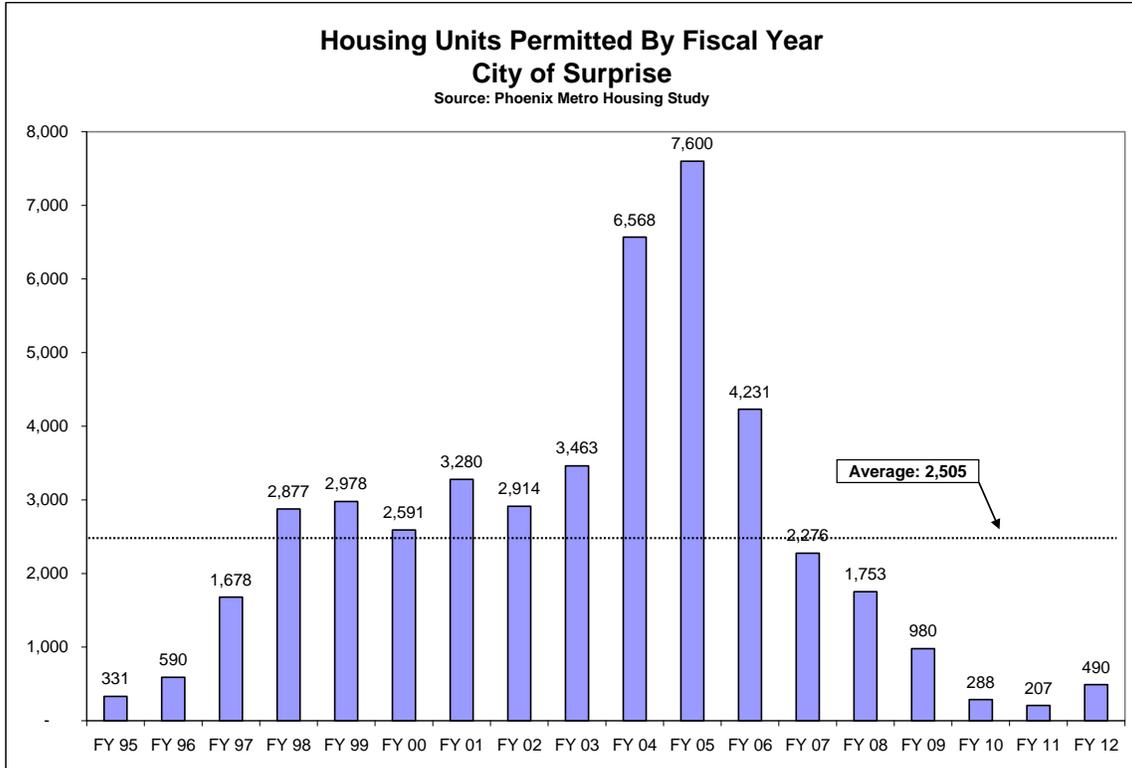
<b>City of Surprise Growth Dynamics 1990 - 2010</b>					
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2000-2010 Change</b>	<b>Percent Change</b>
Population	7,122	30,848	117,517	86,669	281.0%
Households	2,254	12,484	43,272	30,788	246.6%
Persons/Household	3.08	2.46	2.71		
Median Age	33.0	46.1	36.8		
Housing Units	5,256	16,307	52,586	36,279	222.5%

Source: U.S.Census

- The median age of the population in Surprise decreased from 46.1 years in 2000 to 36.8 years in 2010. The median age of residents that moved to the City in the last decade is 34.3 years, lower than the median age for Maricopa County of 35.7 in 2010.
- The percentage of residents under the age of 20 grew from 21.4% in 2000 to 29.2% in 2010. The percentage of persons between the ages of 20 and 44 grew dramatically as well. Surprise's population is becoming younger with more families.



- Over the last decade, residential building permit activity in Surprise has been highly cyclical, ranging from the high points of FY 2004 and FY 2005 to a low of 207 permits in FY 2011, representing the lowest permit total in 16 years.
- Since FY 1995, Surprise has captured an average of 7.7% of all single family housing permits issued in Greater Phoenix (on a fiscal year calendar). At the height of the housing market in FY 2004 and 2005, the community captured upwards of 12% of the region’s single family permits. Much of the homebuilding activity in Greater Phoenix during that time occurred in the peripheral suburban communities where supply outstripped traditional demand. Much of the demand for homes at the height of the market boom was driven by investors rather than owner-occupants. As a result, many homes were never occupied and those that were purchased by families often resulted in foreclosure as housing values dropped.



- While it is premature to declare a recovery in the Greater Phoenix housing market, the latest data from several sources indicate that the market is improving

and housing prices are on the rise. Data from the Cromford Report, which tracks Multiple Listing Service (MLS) sales, shows that single family home prices have clearly risen since hitting bottom in the first quarter of 2011. The median price of a resale home of \$145,000 for May 2012 is 33.0% higher than the median price in May 2011. The S&P Case-Shiller Home Price Index for Greater Phoenix, a leading source for home pricing nationally, suggests that the bottom of the market occurred in September 2011. As of May 2012, the median price of a home is up 11.7%. While the market is well below its highs experienced from 2005 to 2007, all indicators demonstrate that the recovery may be underway. However, there is still great risk and uncertainty in the national and global economies that could shock the local market.



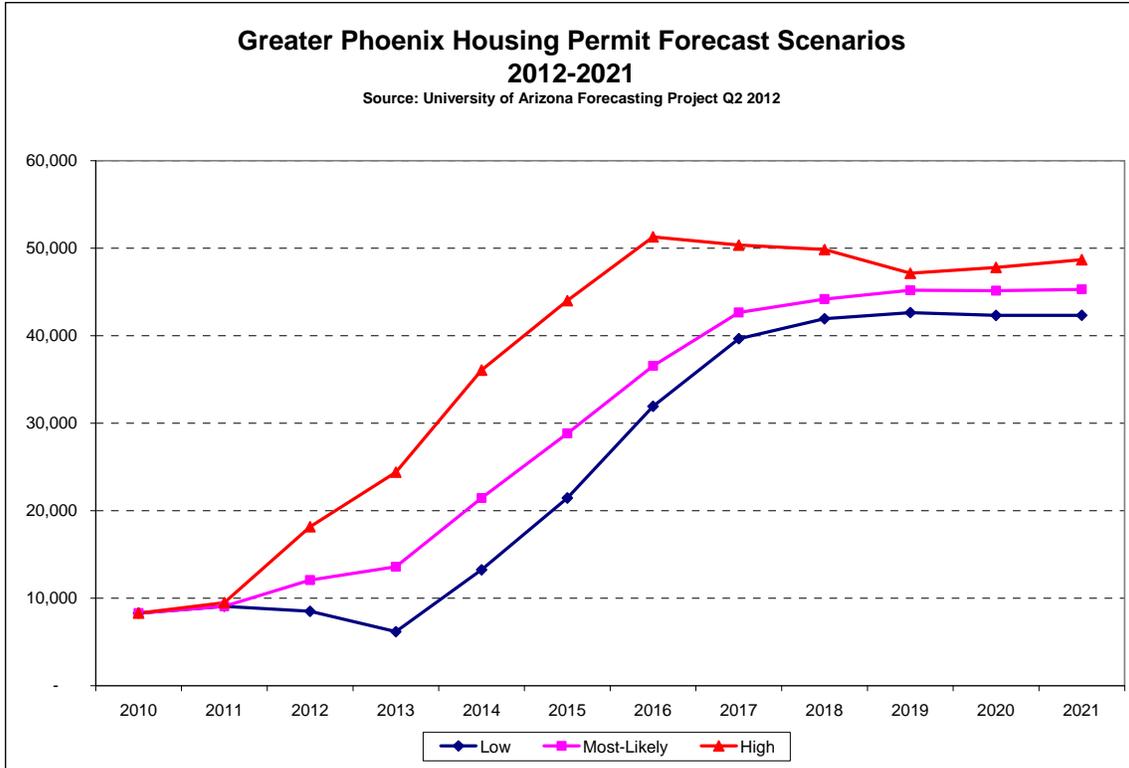
- Surprise will significantly benefit from the construction of the Loop 303 freeway which will connect I-10 with I-17. One of the primary challenges affecting the future growth of Surprise has been the lack of major freeway corridor. The freeway is currently under construction from I-10 to Grand Avenue. The segment from Mountain View Boulevard south to Peoria Avenue is scheduled for completion by fall 2013. The segment from Peoria Avenue south to Thomas Road, including the I-10 interchange, is scheduled for completion in fall 2014. The completion of the Loop 303 will dramatically alter growth patterns in the West Valley, providing significant economic benefits to the Surprise.
- In the new home market, single family building permits have increased significantly for the first five months of 2012. A total of 7,142 permits were

issued in all of 2011. Through May of 2012, homebuilders took out 5,499 single family permits, an increase of 57% over the first half of 2011. Homebuilders are raising prices and beginning to search for new locations for subdivisions. The increase in construction activity is the result of a dwindling supply of resale homes which has reached a low of between two and three months of inventory.

- The University of Arizona Forecasting Project, the only economic forecast available for Greater Phoenix, has prepared three scenarios of housing permit activity through 2021. Given historic population growth, the region should have demand for between 30,000 and 35,000 single family units per year and 10,000 to 12,000 multi-family units annually including condos and townhomes. Depending on the scenario, the Greater Phoenix housing market is forecasted to return to normal supply and demand dynamics between 2015 and 2017. Based on current activity levels, it appears that the market is currently trending between the U of A Most-Likely and the High scenarios.

<b>Housing Permit Forecast Scenarios Greater Phoenix</b>			
<b>Total Permits 2012-2021</b>			
<b>Scenario</b>	<b>Single Family Permits</b>	<b>Multi-Family Permits</b>	<b>Total Permits</b>
Low	205,911	84,312	290,223
Most Likely	246,199	88,817	335,016
High	309,058	108,757	417,815

Source: University of Arizona Forecasting Project, 2nd Quarter 2012 Forecast



**Summary**

While the Surprise housing market has been seriously affected by the recession and decline in the housing market, the long term outlook for the community is very positive. Based on historical capture rates for housing and the completion of the Loop 303, Surprise should be able to regain its previous position as one of the fastest growing communities in Greater Phoenix. This growth will generate extensive demand for commercial development as well, including retail, office and employment uses. In particular, expected growth trends will stimulate demand for the Prasada mixed-use project located along the Loop 303 corridor.

**3.0 Land Use Assumptions**

**3.1 Forecast Assumptions**

Following are the land use assumptions that will guide the preparation of a forecast for the growth of Surprise for the 15 years from FY 2013 to FY 2027.

- This study will evaluate the growth of Surprise by geographic regions of the City known as Special Planning Areas (SPAs) as outlined in the General Plan. There are six SPAs in the City and each is generally independent from the others in terms of water and wastewater infrastructure. A map of the locations of the SPAs is included in the Appendix.

- Surprise will capture its historic share of the Greater Phoenix housing market over the next fifteen years.
- In the next two to three years, new housing construction activity will be slowed by the availability of vacant and foreclosed homes in the community. As that inventory declines, homebuilding activity is expected to increase.
- Single family subdivisions will continue to be the preferred choice of housing for new residents in Greater Phoenix, particularly in suburban communities such as Surprise. U of A forecasts indicate that approximately 75% of all housing permits will be single family over the next ten years.
- It is anticipated that the progression of homebuilding activity in Surprise will be as follows:
  1. In the initial years of the study period, single family permitting activity will be concentrated in those parts of the City where vacant improved and partially improved lots are available, the theory being that homebuilders will be reluctant to develop new lots at costs that are much higher than what they can purchase or the value of lots within their current inventory. It is estimated that there are approximately 4,000 vacant improved and partially improved lots in Surprise, all in SPAs 1 and 2.
  2. As the inventory of available improved and partially improved lots declines, single family permitting activity will be concentrated in those parts of the City where existing infrastructure, primarily water and sewer utilities, is available. The cost to construct entirely new utility systems in the future will likely be borne by developers or homebuilders, which will require large amounts of front-end capital. The availability of this capital may be limited, except in the case of Community Facilities Districts (CFDs). It is anticipated that SPA 1 will be the primary recipient of new single family subdivision activity until it is built-out. Portions of SPA 2 have infrastructure in place that will attract homebuilding activity as well. Portions of SPA 3 have wastewater service, but limited domestic water service. SPAs 4, 5, and 6 have limited facilities and may see limited growth over the next 15 years.

The above outline on the progression of homebuilding activity will guide the allocation of forecasted housing units to the SPAs.

- Traditional subdivision development is expected to be developed at a density of 3.6 units per acre, consistent with the typical densities found in subdivisions in SPA 1.
- Future multi-family development will be concentrated in the growth areas of the City and in infill locations, primarily in SPA 1. In particular, areas that will be

highly suited to multi-family development include the Prasada project, Surprise Center (the area surrounding the City Hall site) and Stadium Village north of the Surprise Stadium Complex.

- Retail and office development will follow residential development patterns. Retail development is a function of the spending power and habits of residents. As Surprise grows in population, so will its supply of retail establishments. The Prasada mixed-use project offers significant opportunities for Surprise to expand its retail tax base with auto dealers and a regional mall complex.

Office space in Surprise today is generally classified as local-serving office, responding to the needs of residents for services such as accounting, insurance, medical and dental, and similar activities. Regional-serving office, which provides space for corporations and companies that operate outside the City, is largely absent from the area today. That may change in the future with the development of the Loop 303.

- Industrial development is expected to occur in the southern portion of the City along the Loop 303 and in areas impacted by Luke Air Force Base. Future development activity will be dependent on the City's economic development efforts.

### **3.2 Methodology**

The methodology developed to forecast building permit activity for the City of Surprise involves the following tasks.

1. Housing permit forecasts for the Greater Phoenix area prepared by the University of Arizona were analyzed based on current trends and other available forecasts. Ultimately, the forecast chosen for this analysis is the average of the Most-Likely and High U of A forecasts.

The U of A forecast was converted from a calendar year to a fiscal year basis. The forecast was also extended from ten years to 15 years by this firm based on projected trends.

2. Surprise's share of the Greater Phoenix forecast was forecasted based on historical capture rates and regression analysis. For the last 18 years, Surprise has captured 7.7% of all single family building permits in Greater Phoenix (on a fiscal year basis). That percentage is expected to increase in this forecast.
3. The Surprise building permit forecast is allocated to the various Special Planning Areas of the City based on a number of criteria including available infrastructure, lot availability, transportation access, redevelopment opportunities and exiting market trends. It is assumed that, in the future, Surprise would develop in rational pattern according to infrastructure availability with little skip or suburban sprawl subdivision development.

4. The forecast for retail and office development will generally follow residential development patterns. Industrial development in the community will grow as employers are drawn to the City by its growing population. Most industrial development is expected to occur in the southern portion of SPA 1.

### 3.3 Residential Forecast

The baseline housing permit forecast for Greater Phoenix that will be used for this analysis is shown on the table below. The forecast represents the average of the Most-Likely and High forecasts from the University of Arizona Forecasting project.

<b>Housing Permit Forecast Greater Phoenix FY 2012 - FY 2027</b>			
Fiscal Year	Single Family Permits	Multi-Family Permits	Total Permits
FY 12	9,939	3,421	13,360
FY 13	12,164	5,006	17,170
FY 14	17,954	6,169	24,123
FY 15	24,824	7,958	32,782
FY 16	30,461	9,882	40,343
FY 17	33,689	11,572	45,261
FY 18	34,440	12,329	46,769
FY 19	34,165	12,410	46,575
FY 20	33,952	12,379	46,331
FY 21	34,305	12,448	46,752
FY 22	34,616	12,939	47,555
FY 23	34,794	12,675	47,469
FY 24	34,986	12,743	47,728
FY 25	35,157	12,803	47,960
FY 26	35,308	12,856	48,164
FY 27	35,438	12,901	48,339

Note: Numbers may not add due to rounding.

Sources: University of Arizona Forecasting Project, 2nd Quarter 2012 Forecast; Elliott D. Pollack & Co.

From FY 2013 to FY 2027, more than 466,000 housing units are expected to be permitted in the Greater Phoenix area. Approximately 74% of all permits are forecasted as single family, with the remainder for apartments, townhomes and condos. This level of permitting activity will translate into population growth of more than 1.5 million new residents. The employment base required to support this population will increase by more than 900,000 jobs over the next 15 years.

Based on the historic growth and capture rate of permitting activity by the City of Surprise, the following table outlines the expected growth of the community from FY 2012 to FY 2027. The forecasted population increase is based on 3.0 persons per single family unit and 2.2 persons per multi-family unit and includes a vacancy factor of 2.0% and 5.0% for single family and multi-family units respectively. The population forecast

has also been lagged one year to account for the time between when a permit is issued and when the unit is occupied.

<b>Housing Permit &amp; Population Forecast</b>							
<b>City of Surprise</b>							
<b>FY 2012 - FY 2027</b>							
Fiscal Year	Single Family		Multi-Family		Totals		Forecasted Population Increase
	Permits	Capture Rate	Permits	Capture Rate	Permits	Capture Rate	
FY 12	485	4.9%	5	0.1%	490	3.7%	
FY 13	645	5.3%	120	2.4%	765	4.5%	1,436
FY 14	886	4.9%	138	2.2%	1,023	4.2%	2,147
FY 15	1,690	6.8%	164	2.1%	1,854	5.7%	2,892
FY 16	2,349	7.7%	193	1.9%	2,542	6.3%	5,310
FY 17	2,727	8.1%	218	1.9%	2,945	6.5%	7,309
FY 18	2,815	8.2%	229	1.9%	3,044	6.5%	8,472
FY 19	2,783	8.1%	230	1.9%	3,013	6.5%	8,754
FY 20	2,758	8.1%	230	1.9%	2,987	6.4%	8,662
FY 21	2,799	8.2%	231	1.9%	3,030	6.5%	8,588
FY 22	2,836	8.2%	238	1.8%	3,073	6.5%	8,711
FY 23	2,856	8.2%	234	1.8%	3,090	6.5%	8,834
FY 24	2,879	8.2%	235	1.8%	3,114	6.5%	8,887
FY 25	2,899	8.2%	236	1.8%	3,135	6.5%	8,955
FY 26	2,917	8.3%	237	1.8%	3,153	6.5%	9,016
FY 27	2,932	8.3%	237	1.8%	3,169	6.6%	9,069
<b>Totals FY 13 - FY 27</b>	<b>36,769</b>		<b>3,168</b>		<b>39,937</b>		<b>107,043</b>
<p>Notes: Numbers may not add due to rounding.</p> <p>Capture rate is Surprise's percentage of Greater Phoenix permits.</p> <p>Population forecast assumes 3.0 persons/single family unit; 2.2 persons/multi-family unit; single family vacancy rate of 2.0%; multi-family vacancy rate of 5.0%.</p>							
Sources: University of Arizona Forecasting Project, 2nd Quarter 2012 Forecast; Elliott D. Pollack & Co.							

Overall, from FY 2013 to FY 2027, the forecast calls for the construction of 36,769 single family and 3,169 multi-family units. The forecasted population increase for Surprise based on these levels of construction activity is slightly over 107,000 persons.

The Office of Employment and Population Statistics at the Arizona Department of Administration estimated the population of Surprise at 118,349 persons in July 2011. Based on permitting activity in the community over the last fiscal year, this firm estimates that the population of the City likely increased by 700 persons to 119,049 as of July 2012. The forecasted population of the City for the end of FY 2027, or July 2027, would be 226,092.

An inventory of approved projects within the City of Surprise was compiled from data collected by real estate brokers and City records. A summary table of the data is provided in the Appendix of this report. The table summarizes projects according to the

available finished lots, partially finished lots, final platted and pre-platted lots and projects that are planned or zoned by the City. The summary table only accounts for those projects located within the current City boundaries. Other projects within the incorporated limits of the City will likely be proposed over time as well. The City will also annex additional property in the future that will include new projects. Those future projects are not included in the summary table.

Altogether, over 86,000 lots and units have been accounted for in the inventory of projects in the City. Of those potential units, 3,934 are classified as finished or partially finished lots where the original land developer initiated development of the properties. All these lots are located in SPAs 1 and 2. The remaining lots are in some stage of processing by the City.

Based on the availability of finished lots and water and sewer infrastructure, single family subdivision development in SPA 1 should be completed over the next 15 years. Remaining single family demand thereafter will likely be directed to SPAs 2 and 3, with limited activity directed to SPAs 4 and 5. For this forecast, no single family permits are forecasted for SPA 6. Most of the multi-family permitting activity will also be directed to SPA 1, with limited activity found in SPAs 2 and 3.

<b>Housing Permit Forecast Allocation By SPA</b>							
<b>City of Surprise</b>							
<b>FY 2013 - FY 2027</b>							
		<b>Allocation of Forecast By SPA</b>					
Planning Area	Available Lots	Single Family		Multi-Family		Totals	
		Lots	% of Total	Units	% of Total	Units	% of Total
SPA 1	16,019	16,019	43.6%	2,418	76.3%	18,437	46.2%
SPA 2	18,523	9,338	25.4%	450	14.2%	9,788	24.5%
SPA 3	14,134	8,300	22.6%	300	9.5%	8,600	21.5%
SPA 4	27,493	2,075	5.6%	-	0.0%	2,075	5.2%
SPA 5	10,000	1,038	2.8%	-	0.0%	1,038	2.6%
SPA 6	-	-	0.0%	-	0.0%	-	0.0%
<b>Totals</b>	<b>86,169</b>	<b>36,769</b>	<b>100.0%</b>	<b>3,168</b>	<b>100.0%</b>	<b>39,937</b>	<b>100.0%</b>

Sources: University of Arizona Forecasting Project, 2nd Quarter 2012 Forecast; Elliott D. Pollack & Co.

### 3.4 Retail Market Forecast

The retail sector of the real estate market in Maricopa County is comprised of approximately 147.5 million square feet of shopping center space according to data from Kammrath & Associates. These figures primarily include conventional shopping centers greater than 20,000 square feet, but do not include small freestanding retail buildings, retail in downtown areas, such as Mill Avenue and Downtown Scottsdale, or car dealers. Retail centers have experienced significant growth since 1985, increasing by 237% from a base of 43.8 million square feet. At the same time, Maricopa County’s population has increased by approximately 109% or about 2.0 million people. Throughout the 1990s, the retail inventory approximated 30 square feet per person. However, inventory per

capita began growing thereafter with the boom in the housing market and the economy. Overall, the per capita inventory of retail space increased from 29.2 square feet per person in 1990 to 38.6 square feet per person today.

At the end of 2011, only 400,000 square feet of retail space was under construction, primarily in smaller neighborhood shopping centers. Only 1.1 million square feet of space has been completed in the last two years. By comparison, 11.6 million square feet of space was completed in 2007. Net absorption for 2011 was negative 153,000 square feet and, over the last two years, occupied space has declined by 2.1 million square feet, primarily in big box retailers.

One of the major trends in the retail market has been the growth of power centers, dominated by big box retailers, and the decline of regional malls. In 1985, regional malls accounted for 26% of retail square footage in Greater Phoenix and power centers had only a 4% market share. Today, power centers account for 30% of the market. Over the last 25 years, more than 42 million square feet of power centers have been constructed or 46% of retail construction activity. At the same time, only 4 million square feet of regional mall space has been constructed and many older malls have been demolished to make way for power centers. Almost 37 million square feet of neighborhood centers have also been built since 1985.

The emergence of power centers has changed for the foreseeable future how Americans and Arizonans conduct their shopping. Smaller mom and pop retailers have been seriously affected by the low margin sales tactics of the big box stores. General merchandise retailers such as Wal-Mart and Target are now in the grocery business, competing with traditional grocery and convenience stores. The end result is that specialty, unanchored retail centers must have significant amenities and entertainment options to be successful.

The cities with the highest amount of retail square feet per capita in Maricopa County are Scottsdale and Tempe, both near 60. Surprise has a moderate level of retail space relative to its population at 31.3 square feet per person. The recent construction of the Wal-Mart in the Prasada development has increased the per capita square footage from 30.0 to the current level. This leaves much room for growth in the future as the City recovers from the effects of the current recession.

<b>Per Capita Retail Square Feet Major Cities in Maricopa County</b>	
<b>City</b>	<b>SF/Capita</b>
Avondale	35.4
Buckeye	16.9
Chandler	51.4
Gilbert	42.9
Glendale	46.2
Goodyear	48.3
Mesa	50.1
Peoria	46.9
Phoenix	32.9
Scottsdale	62.1
<b>Surprise</b>	<b>31.3</b>
Tempe	59.2
<b>Maricopa County</b>	<b>38.6</b>
Sources: U.S. Census, Kammrath Associates, Elliott D. Pollack & Co.	

The Surprise shopping center inventory is comprised of more than 3.7 million square feet of building space in 27 centers. Approximately 42% of the inventory is within power centers followed by neighborhood centers with 32%. Virtually the entire inventory is concentrated in SPA 1, particularly along Bell Road and Grand Avenue.

<b>Shopping Center Inventory City of Surprise</b>			
<b>Power Centers</b>	<b>Sq. Ft.</b>	<b>Neighborhood Centers (cont.)</b>	<b>Sq. Ft.</b>
Kohl's Center	221,946	Surprise Crossing	100,543
Surprise Town Center	535,038	<b>Neighborhood Subtotal</b>	<b>1,207,757</b>
Surprise Village Marketplace	138,550		
Target Center	452,175	<b>Unanchored Centers</b>	<b>Sq. Ft.</b>
Wal-Mart - Prasada	200,000	Bell Mar Center	72,000
<b>Power Center Subtotal</b>	<b>1,547,709</b>	Brookside Village	84,277
		Cotton Lane Shops	63,925
<b>Neighborhood Centers</b>	<b>Sq. Ft.</b>	Greenway Crossings	73,791
Albertson's Osco Center	105,058	Macayo's Plaza	89,487
Crossroads Towne Center	152,016	Marley Park Plaza	77,851
Fry's Center	268,138	Mountainside Fitness Center	90,767
Grand Bell Pavillions	78,155	Reems & Greenway Center	40,000
Grand Marketplace	91,077	Shoppes At Surprise Pointe	200,000
Grand Village Center	199,573	Shops At Surprise	82,579
Greenway Marketplace	50,629	Surprise Pavilions	49,979
Safeway Center	81,962	Surprise Village	48,625
Sprouts Market Center	80,606	<b>Unanchored Subtotal</b>	<b>973,281</b>
<b>Total Shopping Centers</b>			<b>3,728,747</b>
<b>Population</b>			<b>119,049</b>
<b>Square Feet of Shopping Center Retail Per Capita</b>			<b>31.3</b>
Source: Kammrath & Associates; Elliott D. Pollack & Co.			

The retail market in Greater Phoenix has been severely overbuilt in relation to demand. Retailers were eager to enter market because of the region’s growth prospects, particularly during the housing boom of 2004 through 2007. However, competition among major national chains and the impact of on-line retailing has damaged the brick and mortar retail market. The vacancy rate for retail space in Greater Phoenix according to CB Richard Ellis is 11.3%, down from 12.2% in 2011, but still very high by historic standards. While Surprise has significant growth prospects, the overall growth of the retail market will likely slow and the square feet per capita of retail space will decline over time.

As Surprise matures, the square feet per capita of retail space will grow and follow residential development. Given the current overbuilding in the marketplace, the demand for retail space in the future is forecasted at 40.0 square feet per capita for Surprise. This estimate is above the county average, but below the level of per capita retail square footage of many suburban communities in Greater Phoenix. Much of the regional and power center development will be concentrated in the Prasada project and SPA 1; neighborhood and specialty retail will follow residential development into SPAs 2 and 3.

Based on the distribution of forecasted growth in Surprise, the following table outlines the expected demand for retail land uses by SPA. With a future population in FY 2027 of 226,092, retail demand is estimated at 9.04 million square feet. Existing retail space in the community is approximately 3.73 million square feet; the future increase in retail space is estimated at 5.32 million square feet.

The distribution of retail space by SPA will be uneven, with SPA 1 capturing the majority of building space. The plan for Prasada and surrounding mixed-use development will result in a higher level of retail space compared to the other SPAs which are far from build-out of their land areas.

<b>Forecasted Retail Demand By SPA</b>			
<b>City of Surprise</b>			
<b>FY 2013 - FY 2027</b>			
	<b>Forecasted FY 2027 Retail SF</b>	<b>Existing FY 2012 Retail SF</b>	<b>Future FY13-FY27 Demand (SF)</b>
SPA 1	6,885,159	(3,728,747)	3,156,412
SPA 2	1,001,940		1,001,940
SPA 3	865,920		865,920
SPA 4	202,860		202,860
SPA 5	88,200		88,200
SPA 6	-		-
<b>Totals</b>	<b>9,044,079</b>	<b>(3,728,747)</b>	<b>5,315,332</b>
Sources: Elliott D. Pollack & Co., Kamrath & Associates			

Retail employment associated with forecasted retail development is outlined on the following table. Employment estimates are based on an average of 400 square feet per employee and a vacancy rate of 7%. In total, forecasted employment growth between FY 2013 and FY 2027 should exceed 12,300 jobs.

<b>Forecasted Retail Employment By SPA</b>			
<b>City of Surprise</b>			
<b>FY 2013 - FY 2027</b>			
	<b>Forecasted FY 2027 Retail Jobs</b>	<b>Existing FY 2012 Retail Jobs</b>	<b>Future FY13-FY27 Retail Jobs</b>
SPA 1	16,008	(8,669)	7,339
SPA 2	2,330		2,330
SPA 3	2,013		2,013
SPA 4	472		472
SPA 5	205		205
SPA 6	-		-
<b>Totals</b>	<b>21,027</b>	<b>(8,669)</b>	<b>12,358</b>
Sources: Elliott D. Pollack & Co., Kammrath & Associates			

### 3.5 Office Market Forecast

Throughout Maricopa County, the office market is comprised of approximately 138.5 million square feet of space. Office buildings are categorized into two types of uses: administrative and medical. Administrative buildings total approximately 121.8 million square feet of space while medical office buildings total 16.9 million square feet. As shown on the table below, administrative office space is highly concentrated with 83% of all square footage found within three cities: Phoenix, Scottsdale, and Tempe. Approximately 97% of all space is found in the nine cities shown on the following table. Administrative office buildings are concentrated in central locations such as Downtown Phoenix, the Central Avenue corridor, Camelback Road, the 44th St./Gateway area, and in several locations in Scottsdale and Tempe.

<b>Office Space By Major City 2011</b>							
<b>City</b>	<b>2011 Population Estimate</b>	<b>Administrative</b>		<b>Medical</b>		<b>Total</b>	
		Square Feet	Market Share	Square Feet	Market Share	Square Feet	Market Share
<b>Chandler</b>	238,381	5,328,424	4.4%	636,497	3.8%	5,964,921	4.3%
% of City Total		89.3%		10.7%			
<b>Gilbert</b>	213,519	2,176,196	1.8%	1,096,553	6.5%	3,272,749	2.4%
% of City Total		66.5%		33.5%			
<b>Glendale</b>	227,446	2,725,196	2.2%	1,067,582	6.3%	3,792,778	2.7%
% of City Total		71.9%		28.1%			
<b>Mesa</b>	441,160	6,476,119	5.3%	2,258,067	13.4%	8,734,186	6.3%
% of City Total		74.1%		25.9%			
<b>Peoria</b>	155,754	735,823	0.6%	455,855	2.7%	1,191,678	0.9%
% of City Total		61.7%		38.3%			
<b>Phoenix</b>	1,451,966	67,745,634	55.6%	6,193,076	36.7%	73,938,710	53.3%
% of City Total		91.6%		8.4%			
<b>Scottsdale</b>	217,965	21,745,608	17.9%	2,717,911	16.1%	24,463,519	17.6%
% of City Total		88.9%		11.1%			
<b>Surprise</b>	118,349	669,264	0.5%	186,478	1.1%	855,742	0.6%
% of City Total		78.2%		21.8%			
<b>Tempe</b>	162,503	11,591,808	9.5%	599,024	3.6%	12,190,832	8.8%
% of City Total		95.1%		4.9%			
<b>Maricopa County Total</b>	3,843,370	121,815,188		16,856,966		138,672,154	
% of County Total		87.8%		12.2%			

Sources: Kammrath & Associates, CBRE, Elliott D. Pollack & Co.

While administrative office space is highly concentrated by location, medical office buildings are more dispersed (see above table). Since medical services need to be near patients, medical office space is related to population size. For instance, across Maricopa County, there are 4.4 square feet of medical office space for every person. The inventory of office space for most cities approximates that figure. Scottsdale is the only community with a high level of medical office on a per capita basis.

<b>Office Building Square Feet Per Capita By Major Cities 2011</b>			
<b>City</b>	<b>Admin Office</b>	<b>Medical Office</b>	<b>Total</b>
Chandler	22.4	2.7	25.0
Gilbert	10.2	5.1	15.3
Glendale	12.0	4.7	16.7
Mesa	14.7	5.1	19.8
Peoria	4.7	2.9	7.7
Phoenix	46.7	4.3	50.9
Scottsdale	99.8	12.5	112.2
Surprise	5.7	1.6	7.2
Tempe	71.3	3.7	75.0
<b>Maricopa County</b>	<b>31.7</b>	<b>4.4</b>	<b>36.1</b>

Source: AZ Dept. of Commerce, Kammrath Associates; Elliott D. Pollack & Co.

The City of Surprise has a limited office market, similar to most growing suburban communities. However, office construction activity in Surprise during the economic boom of 2004 through 2009 was extensive, increasing the City's inventory by approximately 721,000 square feet from a base of 135,000 square feet. Over 60% of the space constructed during this time span was office condominiums (10 complexes totaling 456,000 square feet). Much of this space is unoccupied today and some complexes have been forced into foreclosure as the market evaporated for owner-occupied properties. Many developers of the condo projects have reverted to leasing space rather than selling the units.

<b>Surprise Office Inventory</b>	
	Sq. Ft.
<b>Administrative Office</b>	
Conventional Office	213,475
Office Condo	455,789
SubTotal	669,264
<b>Medical Office</b>	186,478
<b>Total Office Inventory</b>	<b>855,742</b>

Sources: Maricopa County Assessor, Kammrath & Associates, Elliott D. Pollack & Co.

The amount of medical office space in Surprise is understated in the table above. While many of the office condo projects are vacant or partially vacant, based on observation approximately 60% to 70% of all condo tenants are related to the medical industry. A detailed analysis of tenant occupancy is beyond the scope of this study, but overall the

amount of administrative office space is overstated and the square footage of medical office space is understated.

The office market is typically the last segment of the commercial real estate market to enter a newly growing suburban area. In the early years of development of a community, most office construction activity is oriented towards small professional office space that serves the local population. Tenants are typically doctors, dentists, insurance and real estate agents, accountants, veterinarians, title insurance and mortgage companies, attorneys, and similar small business operations, all of whom desire to be close to their customer base. The type of office space occupied by these tenants is typically referred to “local-serving” office space. The office condo products built in Surprise targeted these types of buyer-occupants.

Local-serving office space is found in most communities, both large and small. Companies occupying these buildings follow closely behind the development of residential areas, similar to retail development. In the early stages of the development of a community, local-serving office users may locate within retail strip malls or shopping centers. However, as the area matures, the construction of small, professional office buildings follow.

Local-serving office buildings account for 85% of all the office buildings in Maricopa County. However, they account for only 33% of the total office space with an average size of approximately 11,000 square feet.

The other segment of the office market found in metro Phoenix is “regional-serving” office. Buildings in this category provide space for regional headquarters and a variety of other services such as banking, finance, and insurance, all of which typically provide services beyond the city in which they are located. These buildings are larger than 50,000 square feet in size and typically over 100,000 square feet. The buildings are highly concentrated in Phoenix, Scottsdale and Tempe.

Prior to 2004, Surprise’s largest office building was 41,000 square feet. Since 2004, three office condo projects and two conventional office buildings with more than 50,000 square feet in total building space have been constructed.

### **Speculative Office Market**

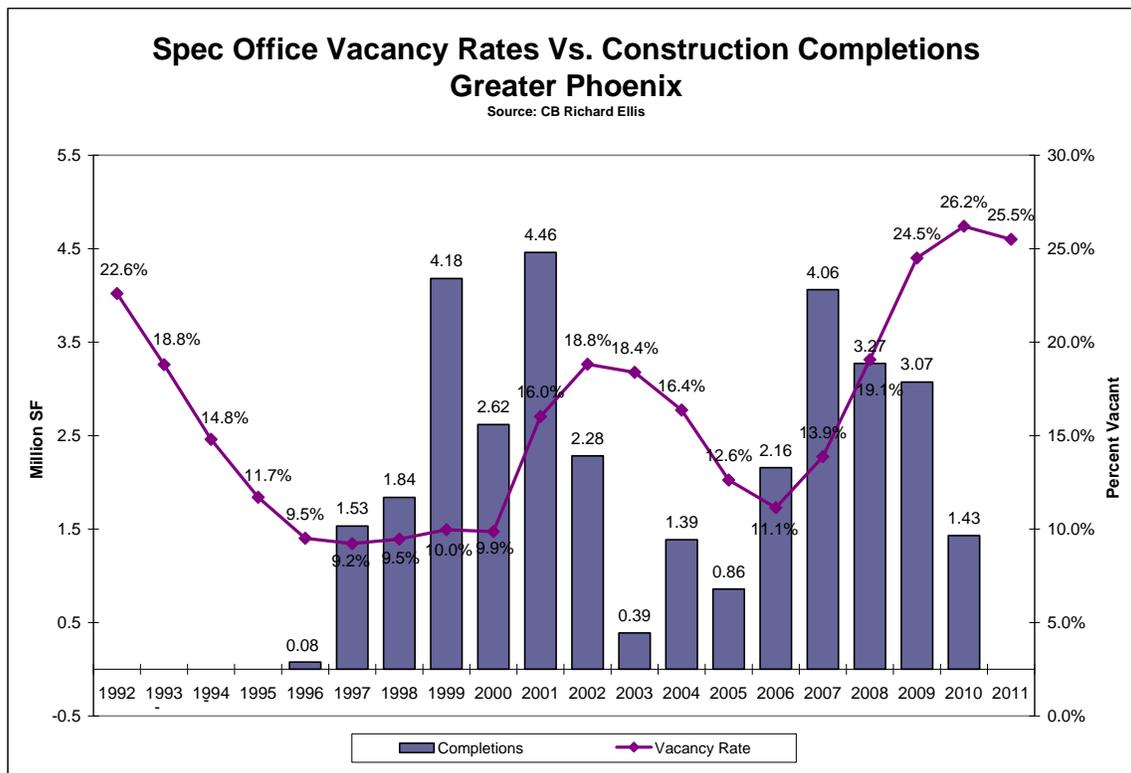
The speculative office market is comprised of buildings that are constructed with the purpose of leasing to non-medical tenants. Most of the major commercial brokerage companies focus on this section of the market, which at the end of 2011 comprised 79.3 million square feet of building space according to CB Richard Ellis. This represents approximately 65% of the 121.7 million square foot administrative office market in Metro Phoenix. CB Richard Ellis tracks all office buildings in its survey that are larger than 20,000 square feet.

The speculative office market over the years has been extremely cyclical with periods of exceptionally high vacancy rates followed by periods of virtually no construction activity.

In the late 1980's and early 1990's, the office market reached historic high vacancy rates due to overbuilding that occurred. This was a result of tax laws that were enacted during the Reagan Administration but were then rescinded in 1986. In the early 1990s virtually no construction activity occurred until vacancy rates reached 9.5% in 1996. Construction activity continued until 2003 when vacancy rates, once again, reached the 18% level. Speculative office space grew vigorously throughout the real estate boom while vacancy rates declined until 2007. Since then, vacancy rates have once again reached unprecedented levels due to overbuilding and declines in employment due to the Great Recession.

At the end of the fourth quarter of 2010, vacancy rates for speculative office stood at 25.5% across Greater Phoenix. By the fourth quarter of 2012, the vacancy rate still stood at 25.1%, but absorption of space grew to 825,000 square feet. This growth in occupancy was the result of the unemployment rate for Greater Phoenix declining to 7.4%. However, 20.2 million square feet of spec office space remains vacant in Greater Phoenix. Even in strong economic times, average annual absorption is 2.2 million square feet. The current vacant inventory will likely need to be reduced in half before construction activity is again warranted, requiring another four to five years of positive absorption with little new construction occurring in the meantime.

The high vacancy rates likely indicate little construction activity in Surprise over the next five years. While the office vacancy rate for the Surprise area is not available from CBRE, the entire West Valley has one of the highest vacancy rates in the region at 33.5% in the second quarter of 2012.



Colliers International provides more detailed data for a sub-market described as the Loop 303/Surprise area generally located west of the Agua Fria River and north of Camelback Road. The company estimates 40 office buildings are located in the sub-market with 1.058 million square feet of space. The vacancy rate in the second quarter of 2012 was 28.4% compared to 21.7% for Greater Phoenix. Colliers International's survey includes both speculative and owner-occupied, single tenant space which totals over 130 million square feet. The lower overall vacancy rate for Greater Phoenix reflects the fact that owner-occupied space has a lower vacancy rate than spec space.

### **Forecast**

Office development in Greater Phoenix will be severely limited over the next five years due to the vast supply of existing space. Over the long term, however, the office market will recover and begin growing again. The concentration of office space in the three central core cities of Phoenix, Scottsdale and Tempe will likely continue. Suburban communities on the periphery of the metro area, such as Surprise, will likely lag behind in the development of their office market.

For the purposes of this analysis, it is assumed that Surprise will over time develop an office market similar to Gilbert and Glendale, both of which have a current population similar to the forecasted FY 2027 population for Surprise of 226,092. It is assumed that the administrative office market for Surprise would equal 11.0 square feet per capita in FY 2027. The medical office market would grow as well and equal the Maricopa County average of 4.4 square feet per capita by FY 2027.

The following table outlines the forecast for office space in Surprise by SPA. Overall demand is estimated at nearly 3.5 million square feet by FY 2027. The forecast for new supply between FY 2013 and FY 2027 is estimated at nearly 2.6 million square feet. Approximately 68% of all forecasted office space is expected to occur within SPA 1 with limited construction activity in other SPAs.

<b>Forecasted Office Demand By SPA</b>			
<b>City of Surprise</b>			
<b>FY 2013 - FY 2027</b>			
Forecasted FY 2027 Population:		226,092	
<b>City-Wide Demand</b>	<b>Administrative Office</b>	<b>Medical Office</b>	<b>Total Office</b>
Forecasted Per Capita Demand	11.0	4.4	15.4
Total Demand (SF)	2,487,122	994,849	3,481,970
Current Supply (SF)	(699,264)	(186,478)	(885,742)
<b>New Supply FY 13 - FY 27</b>	<b>1,787,858</b>	<b>808,371</b>	<b>2,596,228</b>
<b>Distribution By SPA</b>	<b>Administrative Office</b>	<b>Medical Office</b>	<b>Total Office</b>
SPA 1	1,194,155	570,890	1,765,044
SPA 2	275,534	110,213	385,747
SPA 3	238,128	95,251	333,379
SPA 4	55,787	22,315	78,101
SPA 5	24,255	9,702	33,957
SPA 6	-	-	-
<b>Totals</b>	<b>1,787,858</b>	<b>808,371</b>	<b>2,596,228</b>
Sources: Maricopa County Assessor, Kamrath & Associates, Elliott D. Pollack & Co.			

Office employment associated with forecasted office development is outlined on the following table. Employment estimates are based on an average of 250 square feet per employee and a vacancy rate of 10%. The forecast likely understates the future employment growth because of the high vacancy rates currently found in Greater Phoenix and the Surprise area. Office vacancy rates in Surprise have been quoted as high as 30% by commercial real estate brokers. This means that office employment can grow in the City by occupying existing office buildings. In total, forecasted new employment between FY 2013 and FY 2027 should exceed 9,300 jobs.

<b>Forecasted Office Employment By SPA</b>			
<b>City of Surprise</b>			
<b>FY 2013 - FY 2027</b>			
<b>Distribution By SPA</b>	<b>Administrative Office</b>	<b>Medical Office</b>	<b>Total Office</b>
SPA 1	4,395	1,959	6,354
SPA 2	926	463	1,389
SPA 3	800	400	1,200
SPA 4	187	94	281
SPA 5	81	41	122
SPA 6	-	-	-
<b>Totals</b>	<b>6,390</b>	<b>2,956</b>	<b>9,346</b>
Sources: Maricopa County Assessor, Kamrath & Associates, Elliott D. Pollack & Co.			

### 3.6 Industrial Market Forecast

The industrial sector is the largest segment of the commercial real estate market encompassing more than 274 million square feet of building space according to CB Richard Ellis. More than 50% of industrial square footage is found in the City of Phoenix followed by Tempe with 12.7%. Surprise has a small share of the market representing only 0.5% of total square footage.

Industrial buildings have been categorized into three types of uses: manufacturing, flex industrial which includes multi-tenant buildings, and warehouse/distribution. Manufacturing and flex industrial buildings each account for approximately one-quarter of all square footage while warehouse buildings total more than 50% of total floor space.

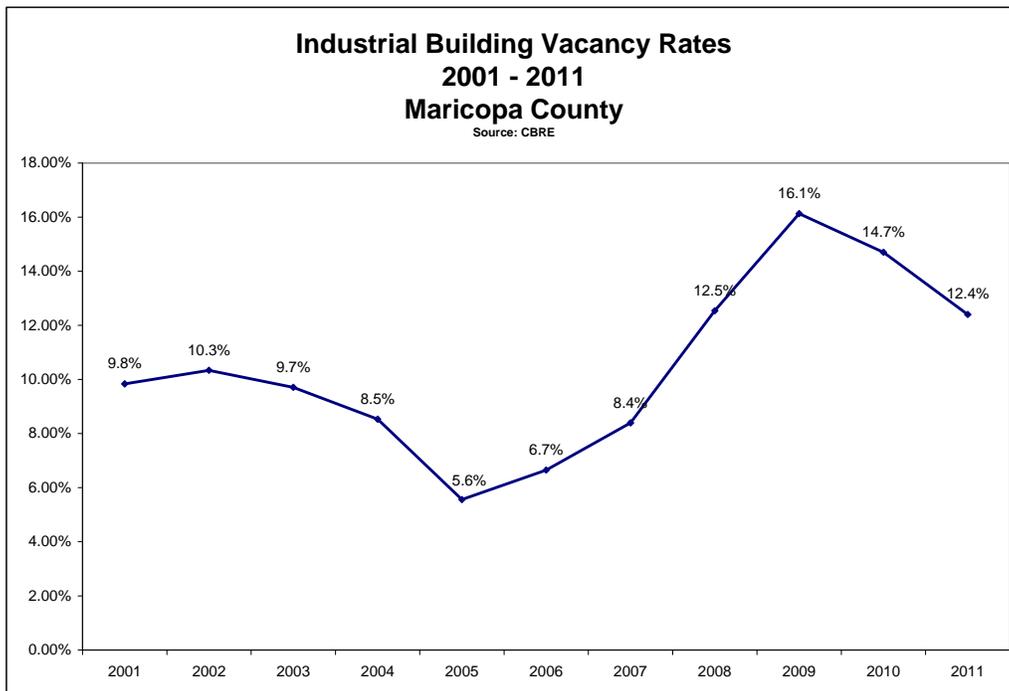
Industrial Building Space by City 2011								
	Manufacturing		Flex Industrial		Warehouse/Distribution		Total	
	Sq. Ft.	Market Share	Sq. Ft.	Market Share	Sq. Ft.	Market Share	Sq. Ft.	Market Share
<b>Chandler</b>	12,480,709	20.4%	4,908,028	7.1%	6,263,761	4.3%	23,652,499	8.6%
% of City Total	52.8%		20.8%		26.5%			
<b>Gilbert</b>	973,739	1.6%	2,783,495	4.1%	2,574,710	1.8%	6,331,944	2.3%
% of City Total	15.4%		44.0%		40.7%			
<b>Glendale</b>	1,603,098	2.6%	1,592,207	2.3%	6,728,803	4.7%	9,924,108	3.6%
% of City Total	16.2%		16.0%		67.8%			
<b>Mesa</b>	3,593,906	5.9%	5,261,651	7.7%	5,836,164	4.0%	14,691,720	5.4%
% of City Total	24.5%		35.8%		39.7%			
<b>Phoenix</b>	25,279,649	41.3%	27,793,515	40.5%	85,491,666	59.3%	138,564,830	50.6%
% of City Total	18.2%		20.1%		61.7%			
<b>Scottsdale</b>	2,387,463	3.9%	8,307,033	12.1%	945,311	0.7%	11,639,806	4.2%
% of City Total	20.5%		71.4%		8.1%			
<b>Surprise</b>	436,501	0.7%	373,383	0.5%	544,920	0.4%	1,354,804	0.5%
% of City Total	32.2%		27.6%		40.2%			
<b>Tempe</b>	7,230,553	11.8%	14,527,037	21.1%	13,109,127	9.1%	34,866,717	12.7%
% of City Total	20.7%		41.7%		37.6%			
<b>Remainder of County</b>	7,191,537	11.8%	3,162,474	4.6%	22,684,516	15.7%	33,038,527	12.1%
% of Total	21.8%		9.6%		68.7%			
<b>Maricopa County Total</b>	61,177,154		68,708,822		144,178,979		274,064,955	
Percent of Total	22.3%		25.1%		52.6%			

Source: County Assessor Records, Kamrath & Associates, Elliott D. Pollack & Co.

Industrial uses are typically clustered near important transportation corridors such as freeways, railroads and airports. Modern business parks are found throughout all parts of the Valley, but usually desire locations near freeways that are accessible to the labor force.

As shown on the above table, Phoenix, Tempe, and Chandler account for 71.9% of all industrial space in the County; about 88% of the industrial inventory is found within the eight cities shown on the table. Phoenix also holds a market share of 41.3% of all manufacturing space in the region, followed by Chandler, which hosts two large Intel plants and other assorted high tech companies.

The Maricopa County industrial market has historically had relatively modest vacancy rates until the start of the Great Recession. However, since 2009, vacancy rates have declined and the industrial market has become one of the few bright spots in the commercial real estate market. Through 2012, the industrial vacancy rate has continued to improve and construction activity, especially in the warehouse sector of the market, has begun again.



An extensive inventory of industrial buildings in Surprise was conducted for this study. According to various databases and the Maricopa County Assessor’s records, Surprise has a total of 1.35 million square feet of industrial space, most of which (1.04 million square feet) has been built since 2002. During the Great Recession, Surprise has been able to sustain significant growth of its industrial base with over 800,000 square feet built since 2007. However, even with this growth trend, Surprise only accounted for 1.5% of all industrial space built in Maricopa County since 2002.

<b>Industrial Construction Activity Maricopa County &amp; Surprise 2002 - 2011</b>			
	<b>SF Constructed</b>		<b>Percent of County</b>
	<b>Maricopa County</b>	<b>Surprise</b>	
2002	5,650,277	62,800	1.1%
2003	4,801,910	-	0.0%
2004	7,402,396	28,943	0.4%
2005	7,072,477	-	0.0%
2006	7,829,959	131,424	1.7%
2007	13,914,181	68,832	0.5%
2008	13,467,215	380,172	2.8%
2009	4,753,218	-	0.0%
2010	2,451,202	74,625	3.0%
2011	1,954,037	292,312	15.0%
<b>Total</b>	<b>69,296,872</b>	<b>1,039,108</b>	<b>1.5%</b>
Sources: County Assessor, CBRE, Elliott D. Pollack & Co.			

Surprise has two primary areas where industrial uses are found in the community:

- A small area located on the northeast side of the intersection of Grand Avenue and Bell Road.
- A large area of almost three square miles situated in the southeast corner of the City that is affected by aircraft noise from Luke Air Force Base.

The above areas are designated on the General Plan as “Employment”. Additional areas designated for future employment are:

- In SPA 3 surrounding the AUX 1 airstrip and surrounding a landfill site near 195<sup>th</sup> Avenue and Deer Valley Road.
- In SPA 4 near the intersection of Grand Avenue and Dove Valley Road.

The primary employment area for the City today is the southeast corner of the community that has been designated as the Southwest Railplex. The area is served by a rail spur that connects to the BNSF rail line that parallels Grand Avenue. The area also has good access to the Loop 303 freeway approximately three miles to the east. Several developed industrial subdivisions are located in the area and a number of companies have located to the area including RioGlass, Gestamp Solar Steel and Crescent Crown Distributors. Southwest Products has also announced construction of a 165,000 square foot distribution and manufacturing facility in the area.

**Forecast**

In its 2007 population and employment forecast, the Maricopa Association of Governments (MAG) estimated that 20.5% of all employment in Maricopa County was associated with industrial land uses. However, that ratio is forecasted to decline over

time. Between 2010 and 2020, only 14.6% of job growth was projected to occur in industrial areas and between 2021 and 2030, the ratio declined even further to 13.5%. Based on the most current University of Arizona employment forecast, this translates into the following industrial job forecast for Maricopa County and the associated industrial square footage demand based on 1,000 square feet of floor area per job.

<b>Forecasted Industrial Job Growth Maricopa County</b>			
Time Period	County Job Forecast	Industrial Job Forecast	Estimated Industrial Square Feet
FY 2013-2020	492,415	71,893	71,892,543
FY 2021-2027	368,349	49,727	49,727,150
<b>Total</b>	<b>860,764</b>	<b>121,620</b>	<b>121,619,693</b>

Source: University of Arizona, MAG, Elliott D. Pollack & Co.

If Surprise maintains its 1.5% capture rate over the next 15 years, a total of more than 1.8 million square feet of space would be constructed in the community or an annual average of 122,000 square feet. However, as the City matures and transportation corridors improve, this capture rate should increase over time.

The Surprise Economic Development Department was contacted regarding estimated future industrial construction activity. Over the next ten years, they expect an average of 100,000 square feet of space to be built within the Southwest Railplex industrial area. Other areas of the City would likely gain some smaller industrial projects as well.

Based on this information, the following forecast is developed for the time frame from FY 2013 to FY 2027. The capture rate for Surprise is assumed to continue for the next eight years at 1.5% of the Maricopa County forecast, rising to 2.5% for FY 2021 and thereafter. A total of 2.3 million square feet of space would be developed in the City under this scenario with 90% of the industrial activity occurring within SPA 1. In our opinion, the most logical locations for industrial uses outside of SPA1 is within SPA 3 where extensive industrial land uses are shown on the General Plan. The eastern portion of SPA 3 has good access to the Loop 303 freeway which will be a significant contributor to future industrial construction activity in Surprise.

<b>Forecasted Industrial Demand By SPA</b>				
<b>City of Surprise</b>				
<b>FY 2013 - FY 2027</b>				
<b>Time Period</b>	<b>Maricopa County Forecast (SF)</b>	<b>Surprise Capture Rate</b>	<b>Surprise Forecast (SF)</b>	<b>Surprise Average Annual SF</b>
FY 2013-2020	71,892,543	1.5%	1,078,388	134,799
FY 2021-2027	49,727,150	2.5%	1,243,179	177,597
<b>Total</b>	<b>121,619,693</b>	<b>1.9%</b>	<b>2,321,567</b>	<b>154,771</b>
<b>Distribution By SPA</b>			<b>Forecast (SF)</b>	
SPA 1			2,089,412	
SPA 2			-	
SPA 3			232,155	
SPA 4			-	
SPA 5			-	
SPA 6			-	
<b>Totals</b>			<b>2,321,567</b>	
Source: University of Arizona, MAG, Elliott D. Pollack & Co.				

Industrial employment associated with forecasted industrial development is outlined on the following table. Employment estimates are based on an average of 600 square feet per employee and a vacancy rate of 6%. In total, forecasted employment should exceed 3,600 jobs.

<b>Forecasted Industrial Employment</b>	
<b>By SPA</b>	
<b>City of Surprise</b>	
<b>FY 2013 - FY 2027</b>	
<b>Distribution By SPA</b>	<b>Industrial Jobs</b>
SPA 1	3,273
SPA 2	-
SPA 3	364
SPA 4	-
SPA 5	-
SPA 6	-
<b>Totals</b>	<b>3,637</b>
Source: University of Arizona, MAG, Elliott D. Pollack & Co.	

## **4.0 Limiting Conditions**

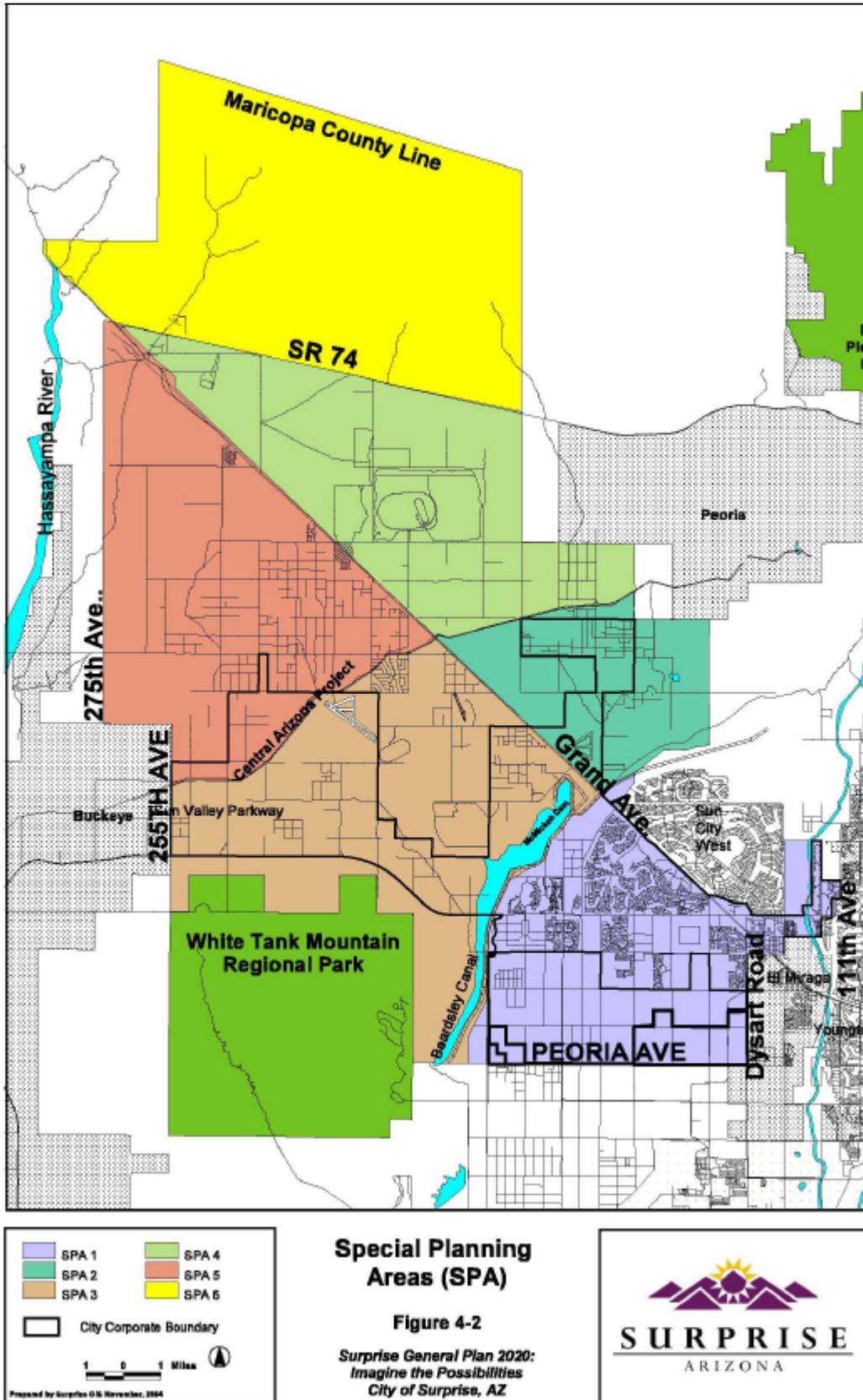
The conclusions and recommendations outlined in this report are based on certain assumptions about the future performance of the national and local economies, as well as that of the real estate market and on other factors similarly outside either our control or that of the client. To the best of our ability, we analyzed trends and information available to us in drawing these conclusions and making the appropriate recommendations. However, due to the very fluid and dynamic nature of the economy and the real estate markets, it is critical to continually monitor the economy and the market, and to revisit the aforementioned conclusions and recommendations periodically to ensure that they stand the test of time.

We assume that in the future the economy and the real estate markets will grow at a stable and moderate rate. Historically, that has not been the case. Stable and moderate growth patterns are not sustainable over extended periods of time; the economy is cyclical, and the real estate markets are typically very sensitive to these cycles. Our analysis does not take into account the potential impact that major economic "shocks" could have on the national and/or the local economies, nor does it account for the potential benefits from a major "boom". Similarly, the analysis does not necessarily reflect the residual impact on the real estate market and the competitive environment of such boom or shock situations. The nation and state are currently in the midst of an economic recovery, the timing, depth and duration of which are unknown, and which to date has had varying impacts on the real estate market in most areas.

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and is believed to be reliable. This study is based on estimates, assumptions and other information developed by Elliott D. Pollack & Company from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. This report is based on information that was current as of the date of this report, and Elliott D. Pollack & Company has not undertaken any update of its research effort since such date.

Our report may contain prospective information, estimates or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular outcome will be achieved. Actual results achieved during the period covered by our prospective analysis may vary from those described in our report and the variations may be material.

# 5.0 Appendix



Surprise Projects Lot Supply							
Masterplan	Total Lots	Finished Lots	Partially Finished Lots	Final Platted Lots	Pre-Platted Lots	Planned or Zoned PAD	Total
<b>SPA 1</b>							
Greer Ranch	33	33	-	-	-	-	33
Greer Ranch	313	313	-	-	-	-	313
Greer Ranch	387	-	387	-	-	-	387
Marley Park	235	235	-	-	-	-	235
Marley Park	294	294	-	-	-	-	294
Marley Park	278	-	-	-	278	-	278
Prasada	5,328	-	-	-	-	5,328	5,328
Sierra Montana	121	121	-	-	-	-	121
Surprise Acres	400	-	-	-	-	400	400
Surprise Farms	649	649	-	-	-	-	649
Surprise Farms	159	159	-	-	-	-	159
Surprise Farms	122	-	122	-	-	-	122
Sycamore Estates	131	131	-	-	-	-	131
Sycamore Estates	145	-	-	145	-	-	145
Marley Park Phase 2	1,476	-	-	-	-	1,476	1,476
Prasada Urban Village (East of Mall Site)	2,420	-	-	-	-	2,420	2,420
320 Acres East of Auto Mall	1,008	-	-	-	-	1,008	1,008
Surprise Center	2,520	-	-	-	-	2,520	2,520
<b>Totals</b>	<b>16,019</b>	<b>1,935</b>	<b>509</b>	<b>145</b>	<b>278</b>	<b>13,152</b>	<b>16,019</b>
<b>SPA 2</b>							
Asante	167	167	-	-	-	-	167
Asante	332	332	-	-	-	-	332
Asante	125	125	-	-	-	-	125
Asante	382	-	-	-	382	-	382
Asante	9,707	-	-	-	-	9,707	9,707
Canyon Ridge	80	80	-	-	-	-	80
Desert Oasis	134	134	-	-	-	-	134
Desert Oasis	92	92	-	-	-	-	92
Desert Oasis	296	296	-	-	-	-	296
Desert Oasis	320	-	-	320	-	-	320
Desert Oasis	804	-	-	-	804	-	804
Legacy Village	108	-	-	-	108	-	108
Marisol Ranch	976	-	-	-	976	-	976
Marisol Ranch	1,017	-	-	-	-	1,017	1,017
Montecito Estates	83	83	-	-	-	-	83
Mountainside	181	181	-	-	-	-	181
Pinnacle Peak Country Estates	312	-	-	-	312	-	312
Pinnacle Peak Country Estates	381	-	-	-	381	-	381
Rancho Mercado	1,850	-	-	-	1,850	-	1,850
Soleada	404	-	-	-	404	-	404
Sunrise Ranch	532	-	-	-	532	-	532
Tierra Verde	240	-	-	-	240	-	240
<b>Totals</b>	<b>18,523</b>	<b>1,490</b>	<b>-</b>	<b>320</b>	<b>5,989</b>	<b>10,724</b>	<b>18,523</b>
<b>SPA 3</b>							
Ana Madera	862	-	-	-	862	-	862
Austin Ranch	1,198	-	-	-	1,198	-	1,198
Austin Ranch	1,871	-	-	-	-	1,871	1,871
Buena Vista Ranch	1,000	-	-	-	-	1,000	1,000
Burke Property	483	-	-	-	-	483	483
Foothills 40	129	-	-	-	129	-	129
Fox Trail	2,088	-	-	-	2,088	-	2,088
Mesquite Mtn Ranch	546	-	-	546	-	-	546
Mesquite Mtn Ranch	900	-	-	-	-	900	900
Rio Ranch Estates	906	-	-	-	906	-	906
Sonoran Trails	140	-	-	-	140	-	140
Surprise Foothills	2,640	-	-	-	580	2,060	2,640
Surprise Foothills East	778	-	-	-	778	-	778
Surprise Ranch	593	-	-	-	593	-	593
<b>Totals</b>	<b>14,134</b>	<b>-</b>	<b>-</b>	<b>546</b>	<b>7,274</b>	<b>6,314</b>	<b>14,134</b>
<b>SPA 4</b>							
Marisol Ranch	976	-	-	-	976	-	976
Marisol Ranch	1,017	-	-	-	-	1,017	1,017
Grand Vista	16,500	-	-	-	-	16,500	16,500
Sunhaven Ranch	9,000	-	-	-	-	9,000	9,000
<b>Totals</b>	<b>27,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>976</b>	<b>26,517</b>	<b>27,493</b>
<b>SPA 5</b>							
Broadstone Ranch	10,000	-	-	-	-	10,000	10,000
<b>Totals</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>
<b>City Totals</b>	<b>86,169</b>	<b>3,425</b>	<b>509</b>	<b>1,011</b>	<b>14,517</b>	<b>66,707</b>	<b>86,169</b>

Sources: Real Estate Broker Databases, City of Surprise documents, Elliott D. Pollack & Co.

# APPENDIX B

## Land Use Assumptions Tables

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Population and Employee Summary

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>Residential Population (End of Fiscal Year)</b>																	
All Residential	119,049	120,485	122,632	125,526	130,837	138,147	146,620	155,374	164,037	172,626	181,338	190,173	199,059	208,014	217,031	226,102	107,053
<b>Non-Residential Employees (End of Fiscal Year)</b>																	
Retail	8,669	8,768	9,095	9,485	10,069	10,824	11,692	12,607	13,577	14,529	15,515	16,536	17,587	18,668	19,780	21,027	12,358
Office	3,081	3,166	3,479	3,823	4,258	4,784	5,384	6,030	6,703	7,414	8,167	8,962	9,796	10,671	11,587	12,535	9,454
Public	2,951	3,238	3,524	3,811	4,097	4,384	4,670	4,957	5,243	5,519	5,794	6,070	6,345	6,621	6,896	7,172	4,221
Industrial	1,628	1,839	2,050	2,261	2,473	2,684	2,895	3,106	3,317	3,596	3,874	4,152	4,430	4,709	4,987	5,265	3,637
Total	16,329	17,011	18,148	19,380	20,896	22,675	24,641	26,700	28,840	31,057	33,350	35,720	38,158	40,668	43,249	45,999	29,670
<b>Total Population and Employees</b>																	
	135,378	137,496	140,781	144,905	151,733	160,822	171,261	182,074	192,877	203,683	214,688	225,893	237,217	248,683	260,280	272,101	136,723

City of Surprise, Arizona  
Development Impact Fee Study  
Growth Projections and Land Use Assumptions  
Projected Housing Units and Non-Residential Square Feet Summary

Description	2012 (1)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>Residential Housing Units (End of Fiscal Year)</b>																	
All Residential	44,103	44,868	45,892	47,746	50,288	53,233	56,277	59,290	62,278	65,308	68,382	71,472	74,586	77,721	80,875	84,044	39,941
<b>Non-Residential Square Feet (End of Fiscal Year)</b>																	
Retail	3,728,747	3,771,191	3,911,975	4,079,586	4,330,707	4,655,537	5,029,049	5,422,560	5,839,715	6,249,067	6,673,238	7,112,480	7,564,240	8,029,355	8,507,602	9,044,079	
Office	855,742	879,543	966,344	1,061,948	1,182,767	1,328,969	1,495,519	1,674,934	1,861,819	2,059,430	2,268,538	2,489,368	2,721,136	2,964,205	3,218,565	3,481,970	
Public	737,750	809,375	881,000	952,625	1,024,250	1,095,875	1,167,500	1,239,125	1,310,750	1,379,625	1,448,500	1,517,375	1,586,250	1,655,125	1,724,000	1,792,875	
Industrial	1,039,108	1,173,907	1,308,705	1,443,504	1,578,302	1,713,101	1,847,899	1,982,698	2,117,496	2,295,093	2,472,690	2,650,287	2,827,884	3,005,481	3,183,078	3,360,675	
Total	6,361,347	6,634,016	7,068,024	7,537,662	8,116,026	8,793,482	9,539,967	10,319,317	11,129,780	11,983,215	12,862,967	13,769,510	14,699,510	15,654,165	16,633,245	17,679,600	

(1) Maricopa Association of Governments (MAG) Socioeconomic Projections of Population, Housing and Employment and Municipal Planning Area and Regional Analysis Zone as of 2010. Restricted to current population with City boundaries.

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Population

Description	2012 (1)	2013	2014	2015	2016	2017	2018	Population									Total
								2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>SPA 1</b>																	
Start of Fiscal Year	113,101	113,439	114,875	117,022	119,916	124,786	131,214	138,511	145,648	152,106	157,755	161,616	163,376	164,745	165,522	166,140	
Increase	338	1,436	2,147	2,893	4,870	6,427	7,297	7,138	6,458	5,649	3,861	1,760	1,369	777	618	379	53,080
End of Fiscal Year	113,439	114,875	117,022	119,916	124,786	131,214	138,511	145,648	152,106	157,755	161,616	163,376	164,745	165,522	166,140	166,519	
<b>SPA 2</b>																	
Start of Fiscal Year	3,109	3,109	3,109	3,109	3,109	3,403	3,991	4,579	5,461	6,784	8,401	10,753	14,154	17,388	21,082	24,463	
Increase	0	0	0	0	294	588	588	882	1,323	1,617	2,352	3,401	3,234	3,695	3,381	3,695	25,049
End of Fiscal Year	3,109	3,109	3,109	3,109	3,403	3,991	4,579	5,461	6,784	8,401	10,753	14,154	17,388	21,082	24,463	28,158	
<b>SPA 3</b>																	
Start of Fiscal Year	2,281	2,281	2,281	2,281	2,281	2,428	2,722	3,310	4,045	4,927	6,250	8,455	11,248	14,355	17,295	20,695	
Increase	0	0	0	0	147	294	588	735	882	1,323	2,205	2,793	3,107	2,940	3,401	3,234	21,648
End of Fiscal Year	2,281	2,281	2,281	2,281	2,428	2,722	3,310	4,045	4,927	6,250	8,455	11,248	14,355	17,295	20,695	23,929	
<b>SPA 4</b>																	
Start of Fiscal Year	206	206	206	206	206	206	206	206	206	206	206	206	500	1,382	2,264	3,220	4,249
Increase	0	0	0	0	0	0	0	0	0	0	294	882	882	956	1,029	1,029	5,072
End of Fiscal Year	206	206	206	206	206	206	206	206	206	206	500	1,382	2,264	3,220	4,249	5,278	
<b>SPA 5</b>																	
Start of Fiscal Year	14	14	14	14	14	14	14	14	14	14	14	14	14	308	896	1,484	
Increase	0	0	0	0	0	0	0	0	0	0	0	0	294	588	588	735	2,205
End of Fiscal Year	14	14	14	14	14	14	14	14	14	14	14	14	308	896	1,484	2,219	
<b>SPA 6</b>																	
Start of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Fiscal Year	118,711	119,049	120,485	122,632	125,526	130,837	138,147	146,620	155,374	164,037	172,626	181,338	190,173	199,059	208,014	217,031	
Increase	338	1,436	2,147	2,893	5,311	7,309	8,473	8,755	8,663	8,589	8,712	8,835	8,886	8,955	9,016	9,071	107,391
End of Fiscal Year	119,049	120,485	122,632	125,526	130,837	138,147	146,620	155,374	164,037	172,626	181,338	190,173	199,059	208,014	217,031	226,102	

(1) Maricopa Association of Governments (MAG) Socioeconomic Projections of Population, Housing and Employment and Municipal Planning Area and Regional Analysis Zone as of 2010. Restricted to current population with City boundaries.

City of Surprise, Arizona  
Development Impact Fee Study  
Growth Projections and Land Use Assumptions  
Projected Housing Units

Description	Residential Housing Units																Total
	2012 (1)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>SPA 1</b>																	
Single-Family Residential	485	645	886	1,540	2,049	2,327	2,265	2,033	1,758	1,149	536	406	204	149	67	6	16,020
Multi-Family Residential	5	120	138	164	193	218	229	230	230	231	88	84	85	86	87	237	2,420
<b>End of Fiscal Year</b>	42,042	42,807	43,831	45,535	47,777	50,322	52,816	55,079	57,067	58,447	59,071	59,561	59,850	60,085	60,239	60,482	
<b>SPA 2</b>																	
Single-Family Residential	0	0	0	100	200	200	300	450	550	800	1,050	1,100	1,150	1,150	1,150	1,138	9,338
Multi-Family Residential	0	0	0	0	0	0	0	0	0	0	150	0	150	0	150	0	450
<b>End of Fiscal Year</b>	1,142	1,142	1,142	1,242	1,442	1,642	1,942	2,392	2,942	3,742	4,942	6,042	7,342	8,492	9,792	10,930	
<b>SPA 3</b>																	
Single-Family Residential	0	0	0	50	100	200	250	300	450	750	950	950	1,000	1,050	1,100	1,150	8,300
Multi-Family Residential	0	0	0	0	0	0	0	0	0	0	0	150	0	150	0	0	300
<b>End of Fiscal Year</b>	838	838	838	888	988	1,188	1,438	1,738	2,188	2,938	3,888	4,988	5,988	7,188	8,288	9,438	
<b>SPA 4</b>																	
Single-Family Residential	0	0	0	0	0	0	0	0	0	100	300	300	325	350	350	350	2,075
Multi-Family Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	76	76	76	76	76	76	76	76	76	176	476	776	1,101	1,451	1,801	2,151	
<b>SPA 5</b>																	
Single-Family Residential	0	0	0	0	0	0	0	0	0	0	0	100	200	200	250	288	1,038
Multi-Family Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	5	5	5	5	5	5	5	5	5	5	5	105	305	505	755	1,043	
<b>SPA 6</b>																	
Single-Family Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Multi-Family Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total City</b>																	
Single-Family Residential	485	645	886	1,690	2,349	2,727	2,815	2,783	2,758	2,799	2,836	2,856	2,879	2,899	2,917	2,932	37,256
Multi-Family Residential	5	120	138	164	193	218	229	230	230	231	238	234	235	236	237	237	3,175
<b>End of Fiscal Year</b>	44,103	44,868	45,892	47,746	50,288	53,233	56,277	59,290	62,278	65,308	68,382	71,472	74,586	77,721	80,875	84,044	

(1) Maricopa Association of Governments (MAG) Socioeconomic Projections of Population, Housing and Employment and Municipal Planning Area and Regional Analysis Zone as of 2010. Restricted to current population with City boundaries divided by 2.72 persons per occupied unit.

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Square Feet - Retail

Retail Square Feet																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		3,728,747	3,771,191	3,911,975	4,079,586	4,316,110	4,610,952	4,943,333	5,278,912	5,614,687	5,913,818	6,153,917	6,320,067	6,473,488	6,605,709	6,732,607	
Increase		42,444	140,784	167,610	236,524	294,842	332,381	335,578	335,776	299,131	240,098	166,151	153,421	132,221	126,897	152,553	3,156,412
End of Fiscal Year	3,728,747	3,771,191	3,911,975	4,079,586	4,316,110	4,610,952	4,943,333	5,278,912	5,614,687	5,913,818	6,153,917	6,320,067	6,473,488	6,605,709	6,732,607	6,885,159	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	9,731	29,723	50,421	82,085	130,830	191,570	281,299	413,064	542,583	693,758	837,077	
Increase		0	0	0	9,731	19,992	20,698	31,664	48,745	60,740	89,729	131,765	129,519	151,175	143,319	164,863	1,001,940
End of Fiscal Year	0	0	0	0	9,731	29,723	50,421	82,085	130,830	191,570	281,299	413,064	542,583	693,758	837,077	1,001,940	
<b>SPA 3</b>																	
Start of Year		0	0	0	0	4,866	14,862	35,295	61,564	94,198	143,678	227,203	335,366	458,793	579,521	721,829	
Increase		0	0	0	4,866	9,996	20,433	26,269	32,634	49,480	83,525	108,163	123,427	120,728	142,308	144,091	865,920
End of Fiscal Year	0	0	0	0	4,866	14,862	35,295	61,564	94,198	143,678	227,203	335,366	458,793	579,521	721,829	865,920	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	10,819	43,982	78,204	116,321	158,466	
Increase		0	0	0	0	0	0	0	0	0	10,819	33,163	34,222	38,117	42,145	44,394	202,860
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	10,819	43,982	78,204	116,321	158,466	202,860	
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	11,172	34,045	57,624	
Increase		0	0	0	0	0	0	0	0	0	0	0	11,172	22,873	23,579	30,576	88,200
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	11,172	34,045	57,624	88,200	
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		3,728,747	3,771,191	3,911,975	4,079,586	4,330,707	4,655,537	5,029,049	5,422,560	5,839,715	6,249,067	6,673,238	7,112,480	7,564,240	8,029,355	8,507,602	
Increase		42,444	140,784	167,610	251,121	324,830	373,512	393,511	417,155	409,352	424,172	439,242	451,761	465,114	478,248	536,477	5,315,332
End of Fiscal Year	3,728,747	3,771,191	3,911,975	4,079,586	4,330,707	4,655,537	5,029,049	5,422,560	5,839,715	6,249,067	6,673,238	7,112,480	7,564,240	8,029,355	8,507,602	9,044,079	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Square Feet - Administrative Office

Administrative Office Square Feet																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		669,264	686,766	745,605	810,896	891,909	987,866	1,095,316	1,207,041	1,316,928	1,426,178	1,523,429	1,603,675	1,681,403	1,754,107	1,825,704	
Increase		17,502	58,839	65,291	81,013	95,957	107,450	111,725	109,887	109,250	97,251	80,246	77,729	72,703	71,598	67,714	1,224,155
<b>End of Fiscal Year</b>	<b>669,264</b>	<b>686,766</b>	<b>745,605</b>	<b>810,896</b>	<b>891,909</b>	<b>987,866</b>	<b>1,095,316</b>	<b>1,207,041</b>	<b>1,316,928</b>	<b>1,426,178</b>	<b>1,523,429</b>	<b>1,603,675</b>	<b>1,681,403</b>	<b>1,754,107</b>	<b>1,825,704</b>	<b>1,893,419</b>	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	2,011	6,368	11,172	18,769	30,686	46,199	69,637	104,812	140,929	184,223	226,993	
Increase		0	0	0	2,011	4,357	4,804	7,597	11,917	15,513	23,438	35,175	36,116	43,294	42,770	48,540	275,534
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,011</b>	<b>6,368</b>	<b>11,172</b>	<b>18,769</b>	<b>30,686</b>	<b>46,199</b>	<b>69,637</b>	<b>104,812</b>	<b>140,929</b>	<b>184,223</b>	<b>226,993</b>	<b>275,534</b>	
<b>SPA 3</b>																	
Start of Year		0	0	0	0	1,005	3,184	7,820	14,077	22,094	34,649	56,245	85,097	119,165	153,888	195,741	
Increase		0	0	0	1,005	2,179	4,636	6,256	8,017	12,555	21,596	28,852	34,069	34,723	41,852	42,387	238,128
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,005</b>	<b>3,184</b>	<b>7,820</b>	<b>14,077</b>	<b>22,094</b>	<b>34,649</b>	<b>56,245</b>	<b>85,097</b>	<b>119,165</b>	<b>153,888</b>	<b>195,741</b>	<b>238,128</b>	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	2,678	11,160	20,312	30,888	42,972	
Increase		0	0	0	0	0	0	0	0	0	2,678	8,482	9,152	10,576	12,083	12,815	55,787
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,678</b>	<b>11,160</b>	<b>20,312</b>	<b>30,888</b>	<b>42,972</b>	<b>55,787</b>							
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	2,902	9,041	15,626	
Increase		0	0	0	0	0	0	0	0	0	0	0	2,902	6,139	6,586	8,629	24,255
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,902</b>	<b>9,041</b>	<b>15,626</b>	<b>24,255</b>							
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>Total City</b>																	
Start of Year		669,264	686,766	745,605	810,896	894,926	997,418	1,114,308	1,239,886	1,369,708	1,507,026	1,651,989	1,804,744	1,964,712	2,132,147	2,307,036	
Increase		17,502	58,839	65,291	84,029	102,492	116,890	125,578	129,822	137,318	144,963	152,755	159,968	167,435	174,889	180,086	1,817,858
<b>End of Fiscal Year</b>	<b>669,264</b>	<b>686,766</b>	<b>745,605</b>	<b>810,896</b>	<b>894,926</b>	<b>997,418</b>	<b>1,114,308</b>	<b>1,239,886</b>	<b>1,369,708</b>	<b>1,507,026</b>	<b>1,651,989</b>	<b>1,804,744</b>	<b>1,964,712</b>	<b>2,132,147</b>	<b>2,307,036</b>	<b>2,487,122</b>	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Square Feet - Medical Office

Medical Office Square Feet																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		186,478	192,777	220,738	251,051	286,871	328,376	374,713	423,523	473,148	522,768	568,568	608,349	647,349	684,529	721,351	
Increase		6,299	27,962	30,313	35,820	41,505	46,337	48,810	49,625	49,621	45,800	39,780	39,000	37,181	36,821	36,017	570,890
<b>End of Fiscal Year</b>	<b>186,478</b>	<b>192,777</b>	<b>220,738</b>	<b>251,051</b>	<b>286,871</b>	<b>328,376</b>	<b>374,713</b>	<b>423,523</b>	<b>473,148</b>	<b>522,768</b>	<b>568,568</b>	<b>608,349</b>	<b>647,349</b>	<b>684,529</b>	<b>721,351</b>	<b>757,368</b>	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	647	2,117	3,822	6,586	11,025	16,934	25,990	39,760	54,258	71,892	89,687	
Increase		0	0	0	647	1,470	1,705	2,764	4,439	5,909	9,055	13,771	14,498	17,634	17,795	20,527	110,213
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>647</b>	<b>2,117</b>	<b>3,822</b>	<b>6,586</b>	<b>11,025</b>	<b>16,934</b>	<b>25,990</b>	<b>39,760</b>	<b>54,258</b>	<b>71,892</b>	<b>89,687</b>	<b>110,213</b>	
<b>SPA 3</b>																	
Start of Year		0	0	0	0	323	1,058	2,675	4,939	7,938	12,701	20,992	32,281	45,879	60,054	77,339	
Increase		0	0	0	323	735	1,617	2,264	2,999	4,763	8,291	11,290	13,598	14,175	17,285	17,912	95,251
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>323</b>	<b>1,058</b>	<b>2,675</b>	<b>4,939</b>	<b>7,938</b>	<b>12,701</b>	<b>20,992</b>	<b>32,281</b>	<b>45,879</b>	<b>60,054</b>	<b>77,339</b>	<b>95,251</b>	<b>95,251</b>
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	1,000	4,234	7,820	12,054	16,979	
Increase		0	0	0	0	0	0	0	0	0	1,000	3,234	3,587	4,234	4,925	5,336	22,315
<b>End of Fiscal Year</b>	<b>0</b>	<b>1,000</b>	<b>4,234</b>	<b>7,820</b>	<b>12,054</b>	<b>16,979</b>	<b>22,315</b>	<b>22,315</b>									
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	1,117	3,528	6,174	
Increase		0	0	0	0	0	0	0	0	0	0	0	1,117	2,411	2,646	3,528	9,702
<b>End of Fiscal Year</b>	<b>0</b>	<b>1,117</b>	<b>3,528</b>	<b>6,174</b>	<b>9,702</b>	<b>9,702</b>											
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>															
<b>Total City</b>																	
Start of Year		186,478	192,777	220,738	251,051	287,842	331,552	381,211	435,048	492,111	552,404	616,549	684,624	756,424	832,057	911,529	
Increase		6,299	27,962	30,313	36,790	43,710	49,659	53,837	57,063	60,293	64,146	68,075	71,800	75,633	79,471	83,320	808,371
<b>End of Fiscal Year</b>	<b>186,478</b>	<b>192,777</b>	<b>220,738</b>	<b>251,051</b>	<b>287,842</b>	<b>331,552</b>	<b>381,211</b>	<b>435,048</b>	<b>492,111</b>	<b>552,404</b>	<b>616,549</b>	<b>684,624</b>	<b>756,424</b>	<b>832,057</b>	<b>911,529</b>	<b>994,849</b>	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Square Feet - Public

Public																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		737,750	809,375	881,000	952,625	1,024,250	1,095,875	1,167,500	1,239,125	1,310,750	1,379,625	1,448,500	1,517,375	1,586,250	1,655,125	1,724,000	
Increase		71,625	71,625	71,625	71,625	71,625	71,625	71,625	71,625	68,875	68,875	68,875	68,875	68,875	68,875	68,875	1,055,125
End of Fiscal Year	737,750	809,375	881,000	952,625	1,024,250	1,095,875	1,167,500	1,239,125	1,310,750	1,379,625	1,448,500	1,517,375	1,586,250	1,655,125	1,724,000	1,792,875	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 3</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		737,750	809,375	881,000	952,625	1,024,250	1,095,875	1,167,500	1,239,125	1,310,750	1,379,625	1,448,500	1,517,375	1,586,250	1,655,125	1,724,000	
Increase		71,625	71,625	71,625	71,625	71,625	71,625	71,625	71,625	68,875	68,875	68,875	68,875	68,875	68,875	68,875	1,055,125
End of Fiscal Year	737,750	809,375	881,000	952,625	1,024,250	1,095,875	1,167,500	1,239,125	1,310,750	1,379,625	1,448,500	1,517,375	1,586,250	1,655,125	1,724,000	1,792,875	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Square Feet - Industrial

Industrial Square Feet																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		1,039,108	1,173,907	1,308,705	1,443,504	1,578,302	1,713,101	1,847,899	1,982,698	2,117,496	2,261,928	2,406,360	2,550,792	2,695,224	2,839,656	2,984,088	
Increase		134,799	134,799	134,799	134,799	134,799	134,799	134,799	134,799	144,432	144,432	144,432	144,432	144,432	144,432	144,432	2,089,412
End of Fiscal Year	1,039,108	1,173,907	1,308,705	1,443,504	1,578,302	1,713,101	1,847,899	1,982,698	2,117,496	2,261,928	2,406,360	2,550,792	2,695,224	2,839,656	2,984,088	3,128,520	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 3</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	33,165	66,330	99,495	132,660	165,825	198,990	
Increase		0	0	0	0	0	0	0	0	33,165	33,165	33,165	33,165	33,165	33,165	33,165	232,155
End of Fiscal Year	0	0	0	0	0	0	0	0	0	33,165	66,330	99,495	132,660	165,825	198,990	232,155	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		1,039,108	1,173,907	1,308,705	1,443,504	1,578,302	1,713,101	1,847,899	1,982,698	2,117,496	2,295,093	2,472,690	2,650,287	2,827,884	3,005,481	3,183,078	
Increase		134,799	134,799	134,799	134,799	134,799	134,799	134,799	134,799	177,597	177,597	177,597	177,597	177,597	177,597	177,597	2,321,567
End of Fiscal Year	1,039,108	1,173,907	1,308,705	1,443,504	1,578,302	1,713,101	1,847,899	1,982,698	2,117,496	2,295,093	2,472,690	2,650,287	2,827,884	3,005,481	3,183,078	3,360,675	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Employment- Retail

Retail Employment																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		8,669	8,768	9,095	9,485	10,035	10,720	11,493	12,273	13,054	13,749	14,308	14,694	15,051	15,358	15,653	
Increase		99	327	390	550	686	773	780	781	695	558	386	357	307	295	355	7,339
End of Fiscal Year	8,669	8,768	9,095	9,485	10,035	10,720	11,493	12,273	13,054	13,749	14,308	14,694	15,051	15,358	15,653	16,008	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	23	69	117	191	304	445	654	960	1,262	1,613	1,946	
Increase		0	0	0	23	46	48	74	113	141	209	306	301	351	333	383	2,330
End of Fiscal Year	0	0	0	0	23	69	117	191	304	445	654	960	1,262	1,613	1,946	2,330	
<b>SPA 3</b>																	
Start of Year		0	0	0	0	11	35	82	143	219	334	528	780	1,067	1,347	1,678	
Increase		0	0	0	11	23	48	61	76	115	194	251	287	281	331	335	2,013
End of Fiscal Year	0	0	0	0	11	35	82	143	219	334	528	780	1,067	1,347	1,678	2,013	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	25	102	182	270	368	
Increase		0	0	0	0	0	0	0	0	0	25	77	80	89	98	103	472
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	25	102	182	270	368	472	
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	26	79	134	
Increase		0	0	0	0	0	0	0	0	0	0	0	26	53	55	71	205
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	26	79	134	205	
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		8,669	8,768	9,095	9,485	10,069	10,824	11,692	12,607	13,577	14,529	15,515	16,536	17,587	18,668	19,780	
Increase		99	327	390	584	755	868	915	970	952	986	1,021	1,050	1,081	1,112	1,247	12,358
End of Fiscal Year	8,669	8,768	9,095	9,485	10,069	10,824	11,692	12,607	13,577	14,529	15,515	16,536	17,587	18,668	19,780	21,027	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Employment- Office

Office Employment																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		3,081	3,166	3,479	3,823	4,244	4,738	5,292	5,870	6,444	7,016	7,531	7,963	8,384	8,779	9,169	
Increase		86	312	344	421	495	554	578	574	572	515	432	420	396	390	373	6,462
<b>End of Fiscal Year</b>	<b>3,081</b>	<b>3,166</b>	<b>3,479</b>	<b>3,823</b>	<b>4,244</b>	<b>4,738</b>	<b>5,292</b>	<b>5,870</b>	<b>6,444</b>	<b>7,016</b>	<b>7,531</b>	<b>7,963</b>	<b>8,384</b>	<b>8,779</b>	<b>9,169</b>	<b>9,543</b>	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	10	31	54	91	150	227	344	520	703	922	1,140	
Increase		0	0	0	10	21	23	37	59	77	117	176	182	219	218	249	1,389
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>31</b>	<b>54</b>	<b>91</b>	<b>150</b>	<b>227</b>	<b>344</b>	<b>520</b>	<b>703</b>	<b>922</b>	<b>1,140</b>	<b>1,389</b>	
<b>SPA 3</b>																	
Start of Year		0	0	0	0	5	15	38	68	108	170	278	423	594	770	983	
Increase		0	0	0	5	10	23	31	40	62	108	145	172	176	213	217	1,200
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>15</b>	<b>38</b>	<b>68</b>	<b>108</b>	<b>170</b>	<b>278</b>	<b>423</b>	<b>594</b>	<b>770</b>	<b>983</b>	<b>1,200</b>	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	13	55	101	155	216	
Increase		0	0	0	0	0	0	0	0	0	13	42	46	53	61	65	281
<b>End of Fiscal Year</b>	<b>0</b>	<b>13</b>	<b>55</b>	<b>101</b>	<b>155</b>	<b>216</b>	<b>281</b>										
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	14	45	78	
Increase		0	0	0	0	0	0	0	0	0	0	0	14	31	33	44	122
<b>End of Fiscal Year</b>	<b>0</b>	<b>14</b>	<b>45</b>	<b>78</b>	<b>122</b>												
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>End of Fiscal Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>													
<b>Total City</b>																	
Start of Year		3,081	3,166	3,479	3,823	4,258	4,784	5,384	6,030	6,703	7,414	8,167	8,962	9,796	10,671	11,587	
Increase		86	312	344	435	526	600	646	673	711	753	795	834	875	916	948	9,454
<b>End of Fiscal Year</b>	<b>3,081</b>	<b>3,166</b>	<b>3,479</b>	<b>3,823</b>	<b>4,258</b>	<b>4,784</b>	<b>5,384</b>	<b>6,030</b>	<b>6,703</b>	<b>7,414</b>	<b>8,167</b>	<b>8,962</b>	<b>9,796</b>	<b>10,671</b>	<b>11,587</b>	<b>12,535</b>	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Employment- Public

Public Employment																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		2,951	3,238	3,524	3,811	4,097	4,384	4,670	4,957	5,243	5,519	5,794	6,070	6,345	6,621	6,896	
Increase		287	287	287	287	287	287	287	287	276	276	276	276	276	276	276	4,507
End of Fiscal Year	2,951	3,238	3,524	3,811	4,097	4,384	4,670	4,957	5,243	5,519	5,794	6,070	6,345	6,621	6,896	7,172	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 3</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		2,951	3,238	3,524	3,811	4,097	4,384	4,670	4,957	5,243	5,519	5,794	6,070	6,345	6,621	6,896	
Increase		287	287	287	287	287	287	287	287	276	276	276	276	276	276	276	4,221
End of Fiscal Year	2,951	3,238	3,524	3,811	4,097	4,384	4,670	4,957	5,243	5,519	5,794	6,070	6,345	6,621	6,896	7,172	

City of Surprise, Arizona  
 Development Impact Fee Study  
 Growth Projections and Land Use Assumptions  
 Projected Employment - Industrial

Industrial Employment																	
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<b>SPA 1</b>																	
Start of Year		1,628	1,839	2,050	2,261	2,473	2,684	2,895	3,106	3,317	3,544	3,770	3,996	4,223	4,449	4,675	
Increase		211	211	211	211	211	211	211	211	226	226	226	226	226	226	226	3,273
End of Fiscal Year	1,628	1,839	2,050	2,261	2,473	2,684	2,895	3,106	3,317	3,544	3,770	3,996	4,223	4,449	4,675	4,901	
<b>SPA 2</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 3</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	52	104	156	208	260	312	
Increase		0	0	0	0	0	0	0	0	52	52	52	52	52	52	52	364
End of Fiscal Year	0	0	0	0	0	0	0	0	0	52	104	156	208	260	312	364	
<b>SPA 4</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 5</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SPA 6</b>																	
Start of Year		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Increase		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Fiscal Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total City</b>																	
Start of Year		1,628	1,839	2,050	2,261	2,473	2,684	2,895	3,106	3,317	3,596	3,874	4,152	4,430	4,709	4,987	
Increase		211	211	211	211	211	211	211	211	278	278	278	278	278	278	278	3,637
End of Fiscal Year	1,628	1,839	2,050	2,261	2,473	2,684	2,895	3,106	3,317	3,596	3,874	4,152	4,430	4,709	4,987	5,265	